

Proceeding: A.26-03-009 et al.
Exhibit No.: MCE – 04
Date: September 30, 2026
Commissioner: Douglas
Administrative Law Judge: Kao, Fitch
Witness(es): Alice Havenar-Daughton
Jennifer Green
Qua Vallery

MARIN CLEAN ENERGY

EXHIBIT 4

**TESTIMONY OF MARIN CLEAN ENERGY REGARDING
ITS 2028-2031 ENERGY EFFICIENCY PORTFOLIO PLAN AND
2032-2035 ENERGY EFFICIENCY BUSINESS PLAN AND
ADMINISTRATIVE LAW JUDGE’S RULING DIRECTING SUBMISSION OF
CORRECTIONS AND SUPPLEMENTAL INFORMATION FROM ALL BUSINESS
PLAN APPLICANTS**

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1. <i>Does your business plan application consider the impact of the California Air Resource Board’s (CARB) potential new rules on Clean Space and Water Heater Standards, or other regional standards? If not, how would your business plan application need to be adjusted if CARB’s current proposal is adopted, effective in 2030?</i>	<i>8</i>
2. <i>Provide a third-party solicitation schedule and timeline from 2028 to 2031. Use the solicitation schedule posted to the California Energy Efficiency Coordinating Committee website, available at https://www.caeecc.org/market-rateee-r25-04-101, for reference and required fields.....</i>	<i>10</i>

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Chapter 1: Portfolio Level Impacts Summary

1. Background

Marin Clean Energy (“MCE”) submitted its 2028-2031 ENERGY EFFICIENCY PORTFOLIO PLAN AND 2032-2035 ENERGY EFFICIENCY BUSINESS PLAN (“MCE Application”) to the California Public Utilities Commission on March 16, 2026.¹ On September 2, 2026, Administrative Law Judge Valerie Kao issued ADMINISTRATIVE LAW JUDGE’S RULING DIRECTING SUBMISSION OF CORRECTIONS AND SUPPLEMENTAL INFORMATION FROM ALL BUSINESS PLAN APPLICANTS (“Ruling”) requiring all applicants to “submit amended total system benefit and cost-effectiveness values using corrected Avoided Cost Calculator/Cost Effectiveness Test tool inputs; and any non-substantive corrections to program names, values, segments, or other information included in their business plan applications.”² The Ruling requires all applicants to update California Energy Data and Reporting System (“CEDARS”) filings and Testimony Exhibits.³ On September 9, 2026, Administrative Law Judge Kao issued E-MAIL RULING GRANTING MOTION FOR EXTENSION OF TIME TO COMPLY WITH SEPTEMBER 2, 2026 RULING (“Extension”) that extends the submission date of the required updates to September 30, 2026.⁴ On September 15, 2026, Energy Division staff shared *ALJ Ruling Requesting Corrections and Supplemental Testimony Process and Filing Instructions for PAs September 2026* (“Guidance Instructions”) via email. The Guidance Instructions included substantive and process focused direction

¹ A.26-03-014, *MCE Notice of Availability* (March 16, 2026), available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M602/K347/602347120.PDF> (linking to MCE’s Application and Testimony Exhibits).

² A.26-03-009, *ALJ’s Ruling Directing Submission of Corrections and Supplemental Information From All Business Plan Applicants*, p. 2 (September 2, 2026), available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M616/K587/616587387.PDF>.

³ *Id.*

⁴ A.26-03-009, *E-mail Ruling Granting Motion for Extension of Time to Comply with September 2, 2026 Ruling*, p. 2 (September 9, 2026), available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M618/K426/618426264.PDF>.

1 on the required updates, and specific tables to include in Supplemental Testimony. With this
2 submission, MCE timely submits its updated and Supplemental Testimony in accordance with
3 Administrative Law Judge Rulings and Energy Division staff guidance.

4 Pursuant to the Guidance Instructions, MCE provides the following two tables:

2. Table 1-1: Summary of Budget and TSB Impacts

Segment	Original Budget	Revised Budget	Budget % Change	Original TSB	Revised TSB	TSB % Change
2028-2031 Portfolio						
Resource Acquisition	\$39,802,979	\$39,802,979	0.00%	\$58,392,405	\$59,239,032	1.45%
Market Support	\$3,202,962	\$3,202,962	0.00%	\$0	\$0	0.00%
Equity	\$19,634,813	\$19,634,813	0.00%	\$13,033,685	\$7,476,176	-42.64%
EM&V	\$2,610,031	\$2,610,031	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$65,250,785	\$65,250,785	0.00%	\$71,426,091	\$66,715,209	-6.60%
Codes & Standards (C&S)	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$65,250,785	\$65,250,785	0.00%	\$71,426,091	\$66,715,209	-6.60%
2032-2035 Portfolio						
Resource Acquisition	\$41,385,347	\$41,385,347	0.00%	\$67,700,720	\$68,952,990	1.85%
Market Support	\$3,330,296	\$3,330,296	0.00%	\$0	\$0	0.00%
Equity	\$20,415,395	\$20,415,395	0.00%	\$16,715,229	\$9,337,418	-44.14%
EM&V	\$2,713,793	\$2,713,793	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$67,844,831	\$67,844,831	0.00%	\$84,415,949	\$78,290,407	-7.26%
Codes & Standards (C&S)	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$67,844,831	\$67,844,831	0.00%	\$84,415,949	\$78,290,407	-7.26%
2028-2035 Total						
Resource Acquisition	\$81,188,326	\$81,188,326	0.00%	\$126,093,125	\$128,192,022	1.66%
Market Support	\$6,533,258	\$6,533,258	0.00%	\$0	\$0	0.00%
Equity	\$40,050,208	\$40,050,208	0.00%	\$29,748,914	\$16,813,594	-43.48%
EM&V	\$5,323,825	\$5,323,825	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$133,095,616	\$133,095,616	0.00%	\$155,842,040	\$145,005,616	-6.95%
Codes & Standards (C&S)	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$133,095,616	\$133,095,616	0.00%	\$155,842,040	\$145,005,616	-6.95%

1 **3. Table 1-2: Summary of Cost Effectiveness Impact**

2

Segment	Original TRC	Revised TRC	TRC % Change	Original	Revised	PAC % Change	Original	Revised	RIM % Change	Original	Revised	SCT-Base % Change	Original	Revised	SCT-High % Change
2028-2031 Portfolio															
Resource Acquisition	1.23	1.25	1.63%	1.45	1.48	1.76%	0.46	0.46	0.00%	1.56	1.65	5.77%	1.57	1.65	5.20%
Market Support	0	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%
Equity	0.75	0.45	-40.00%	0.75	0.45	-40.00%	0.95	0.58	-38.95%	1.02	0.71	-30.39%	1.02	0.71	-30.17%
EM&V	0	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Portfolio Excluding C&S	1.00	0.96	-4.00%	1.10	1.05	-4.55%	0.57	0.49	-14.04%	1.35	1.27	-5.93%	1.35	1.27	-5.93%
Codes & Standards (C&S)	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%	N/A	N/A	0.00%
Total Portfolio Including C&S	1.00	0.96	-4.00%	1.10	1.05	-4.55%	0.57	0.49	-14.04%	1.35	1.27	-5.93%	1.35	1.27	-5.93%

3

Chapter 2: Summary of Testimony Update Sections

In addition to this Supplemental Testimony, pursuant to the Guidance Instructions, MCE provides the following change log identifying changes made to its original March 16, 2026 testimony:

Table 2-3: Summary of Testimony Update Locations

Document	Exhibit	Chapter	Page/Sheet	Table, Figure or Line Number	Summary of Change
Testimony	Exhibit 1	Chapter 1	4	20	Replace PeakFLEXmarket with “Peak FLEXmarket.”
Testimony	Exhibit 1	Chapter 2	22	Table 2-4	Replace entire table with updated numbers
Testimony	Exhibit 1	Chapter 2	24	Table 2-6	Replace entire table with updated numbers
Testimony	Exhibit 1	Chapter 6	90	Table 6-7	Replace entire table with updated numbers
Testimony	Exhibit 1	Chapter 6	92	Table 6-9	Replace entire table with updated numbers
EE Program Cards	Exhibit 2	Program Name: Multifamily Energy Savings – Equity	2	Program Total System Benefit (TSB) for 2028-2031	Replace \$6,954,983 with \$1,470,606
EE Program Cards	Exhibit 2	Program Name: Multifamily Energy Savings – Equity	3	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “TRC: 0.41 PAC: 0.41” with “TRC: 0.59 PAC: 0.59”

EE Program Cards	Exhibit 2	Program Name: Residential Flex Market Program	6	Program Total System Benefit (TSB) for 2028-2031	Replace \$502,937 with \$494,946
EE Program Cards	Exhibit 2	Program Name: Residential Flex Market Program	6	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “PAC: 0.47” with “PAC: 0.46”
EE Program Cards	Exhibit 2	Program Name: Multifamily Energy Savings – Resource	10	Program Total System Benefit (TSB) for 2028-2031	Replace \$5,645,916 with \$5,643,968
EE Program Cards	Exhibit 2	Program Name: Non-Residential Energy Management Program	13	Program Total System Benefit (TSB) for 2028-2031	Replace \$19,394,954 with \$19,447,611
EE Program Cards	Exhibit 2	Program Name: Non-Residential Energy Management Program	13	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “TRC: 1.45 PAC: 1.63” with “TRC: 1.46 PAC: 1.64”
EE Program Cards	Exhibit 2	Program Name: Commercial Flex Market Program	16	Program Total System Benefit (TSB) for 2028-2031	Replace \$18,089,174 with \$19,184,383
EE Program Cards	Exhibit 2	Program Name: Commercial Flex Market Program	16	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “TRC: 1.06 PAC: 1.46” with “TRC: 1.12 PAC: 1.55”
EE Program Cards	Exhibit 2	Program Name: Small Business Energy Advantage	19	Program Total System Benefit (TSB) for 2028-2031	Replace \$1,581,983 with \$1,522,149

EE Program Cards	Exhibit 2	Program Name: Small Business Energy Advantage	19	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “TRC: 0.54 PAC: 0.54” with “TRC: 0.53 PAC: 0.53”
EE Program Cards	Exhibit 2	Program Name: Home Energy Savings-Equity	25	Program Total System Benefit (TSB) for 2028-2031	Replace \$4,496,719 with \$4,483,422
EE Program Cards	Exhibit 2	Program Name: Home Energy Savings-Resource	28	Program Total System Benefit (TSB) for 2028-2031	Replace \$1,208,794 with \$1,225,868
EE Program Cards	Exhibit 2	Program Name: Home Energy Savings-Equity	28	Cost Effectiveness (TRC and PAC Test Ratios) for 2028-2031	Replace “TRC: 1.07 PAC: 1.08” with “TRC: 1.08 PAC: 1.09”
CEDARS Receipts	Exhibit 3	N/A	All	All CEDARS receipts of all programs	Fully replaced with new versions

Chapter 3: Additional Responses to Administrative Law Judge’s Questions

1. Does your business plan application consider the impact of the California Air Resource Board’s (CARB) potential new rules on Clean Space and Water Heater Standards, or other regional standards? If not, how would your business plan application need to be adjusted if CARB's current proposal is adopted, effective in 2030?

Yes, as discussed throughout MCE’s Application, MCE considered the impact of the California Air Resources Board’s (“CARB”) potential new rules on Clean Space and Water Heater Standards when preparing and submitting its Application.

MCE discussed CARB’s potential new rules on Clean Space and Water Heater Standards in the following sections of its Application:

¥ Exhibit 1, Chapter 2: Portfolio Summary;⁵

¥ Exhibit 1, Chapter 3: Portfolio Strategies;⁶

¥ Exhibit 1, Chapter 6: Segmentation and Sector Strategy;⁷ and

¥ Exhibit 1, Chapter 7: Portfolio Coordination.⁸

Similarly, MCE included discussions of its consideration of the potentially impactful regional standards like the Bay Area Air District’s (“BAAD”) Rule 9-4: Nitrogen Oxides from Natural Gas-Fired Furnaces – 2023 and Rule 9-6: Nitrogen Oxides Emissions from Natural Gas Fired Water Heaters – 2023 Amendment throughout its Application.

MCE discussed BAAD Rule 9-4 and Rule 9-6 in the following sections of its Application:

¥ Exhibit 1, Chapter 2: Portfolio Summary;⁹

⁵ Exh. MCE-01, p. 17.

⁶ *Id.*, p. 58.

⁷ *Id.*, p. 101.

⁸ *Id.*, pp. 142-143.

⁹ *Id.*, pp. 14-17.

1 ¥ Exhibit 1, Chapter 6: Segmentation and Sector Strategy;¹⁰

2 ¥ Exhibit 1, Chapter 7: Portfolio Coordination;¹¹ and

3 ¥ Exhibit 1, Chapter 8: Stakeholder Engagement.¹²

4 MCE discussed other related local decarbonization focused standards in the following sections of
5 its Application:

6 ¥ Exhibit 1, Chapter 2: Portfolio Summary.¹³

7
8 **Status of CARB Clean Space and Water Heater Standards & BAAD Rule 9-6 and Rule 9-4**

9 Since the submission of MCE’s Application in March 2026, no significant changes to
10 CARB Clean Space and Water Heater Standards or BAAD’s Rule 9-4 and Rule 9-6 have occurred
11 that impact its Application. The final CARB Clean Space and Water Heater Standards and BAAD
12 Rule 9-6 and Rule 9-4 for the 2028-2035 Business Application period remain unknown. MCE
13 considered a variety of likely and possible outcomes for CARB’s Clean Space and Water Heater
14 Standards and BAAD Rule 9-4 and Rule 9-6 when developing and submitting its Application.
15 MCE does not request any changes to its submitted Application related to CARB Clean Space and
16 Water Heater Standards and BAAD Rule 9-6 and Rule 9-4 at this time. MCE will continue to track
17 and engage with related rulemakings.

18 *CARB Clean Space and Water Heater Standards*

19 At the time of this filing, draft language is still pending for CARB’s Clean Space and Water
20 Heater Standards.¹⁴ The last public workshop on CARB’s Clean Space and Water Heater

¹⁰ *Id.*, pp. 108, 113.

¹¹ *Id.*, pp. 142-144.

¹² *Id.*, p. 157.

¹³ *Id.*, pp. 15-16.

¹⁴ CARB, *Clean Space and Water Heater Standards*, Draft Language
<https://ww2.arb.ca.gov/sites/default/files/2026-01/Regulatory%20Draft%20Language%20Pending.pdf>.

Standards was December 11, 2025, with no additional workshops presently publicly noticed.¹⁵ In previously published workshop slides, CARB shared its intent to release draft language in the first quarter of 2026.¹⁶ As stated above, draft language is still pending. MCE continues to track CARB’s Clean Space and Water Heater Standards rulemaking.

Bay Area Air District – Rule 9-4 and Rule 9-6

As discussed in MCE’s Application, BAAD recently proposed significant amendments to Rule 9-6.¹⁷ BAAD is scheduled to vote on proposed amendments in November 2026. In January 2027, BAAD is required to produce a 9-4 Readiness Report two years prior to enforcement of compliance requirements. This Readiness Report must include information on costs, available rebates, and infrastructure and technological readiness associated with rule compliance and implementation.¹⁸ MCE continues to track and engage in BAAD’s Rule 9-6 and Rule 9-4 rulemakings.

2. Provide a third-party solicitation schedule and timeline from 2028 to 2031. Use the solicitation schedule posted to the California Energy Efficiency Coordinating Committee website, available at <https://www.caeccc.org/market-rateeee-r25-04-101>, for reference and required fields.

MCE is a community choice aggregator (“CCA”) program administrator (“PA”) of energy efficiency programs.¹⁹ In MCE’s Application, MCE applied to continue to administer energy efficiency programs as an “apply-to-administer” PA.²⁰ Third-party solicitation requirements for

¹⁵ CARB, *Clean Space and Water Heater Standards*, <https://ww2.arb.ca.gov/our-work/programs/building-decarbonization/clean-space-and-water-heater-standards/meetings-workshops>.

¹⁶ CARB, *Zero-Emission Space and Water Heater Standards Public Workshop December 11, 2025 Slides*, https://ww2.arb.ca.gov/sites/default/files/2025-12/December_2025_Workshop_Slides_ADA.pdf.

¹⁷ Exh. MCE-01, p. 17 n. 41.

¹⁸ Bay Area Air Quality Management District, *Resolution No. 2023-03*, https://www.baaqmd.gov/~media/files/board-of-directors/adopted-resolutions/2023/2023_03_amending_9_4_and_9_6_and_certifying_ceqa_eir-pdf.pdf.

¹⁹ Decision (“D.”) 12-11-015, p. 50 and Ordering Paragraph (“OP”) 1 (approving MCE EE portfolio).

²⁰ See, e.g., MCE Application, pp. 6, 36; Exh. MCE-01, p. 63.

1 energy efficiency exclusively apply to investor-owned utility (“IOU”) PAs.²¹ As an apply-to-
2 administer CCA PA, MCE is not subject to third-party solicitation requirements and therefore not
3 required to submit a third-party solicitation schedule and timeline from 2028-2031.

²¹ D.18-01-004, p. 1 (“This decision addresses the required process for third party solicitations in the context of the rolling portfolio energy efficiency programs overseen by the investor-owned utility (IOU) program administrators (PAs).”); D.23-02-002, OP 1.