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SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK

2028 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

EXHIBIT 1 CORRECTIONS (CLEAN)

Southern California Regional Energy Network (SoCalREN) 2028–2035 Strategic Business Plan and 2028–2031 Portfolio Plan

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Acronyms

ACC	Avoided Cost Calculator	**IDSM**	Integrated Demand-Side Management
ACES	Architecture, Construction and Engineering Students	**IOUs**	Investor-Owned Utilities
ACEEE	American Council for an Energy-Efficient Economy	**LBNL**	Lawerence Berkeley National Laboratory
ARRA	American Reinvestment and Recovery Act	**NMEC**	Normalized Metered Energy Consumption
CAEECC	California Energy Efficiency Coordinating Committee	**OBF**	On-Bill Financing
CAL FIRE	California Department of Forestry and Fire Protection	**PA**	Program Administrator
CCAs	Community Choice Aggregators	**PDP**	Project Delivery Program
CEC	California Energy Commission	**REN**	Regional Energy Network
CEDARS	California Energy Data and Reporting System	**RSF**	Revolving Savings Fund
CPUC	California Public Utilities Commission	**RTB**	REN Total Benefit Metric
DAC	Disadvantaged Communities	**SCE**	Southern California Edison
DER	Distributed Energy Resources	**SCT**	Societal Cost Test
DOE	Department of Energy	**SEM**	Strategic Energy Management
EE	Energy Efficiency	**SMBE**	Small and Minority-Owned Business Enterprise
ESJ	Environmental and Social Justice Action Plan	**SMWDBE**	Small, Minority, Women, and Disabled Veteran Business Enterprise
GHG	Greenhouse Gas	**SoCalGas**	Southern California Gas Company
GPC	Green Path Careers	**SoCalREN**	Southern California Regional Energy Network
GWP	Global Warming Potential	**TRC**	Total Resource Cost
HFTD	High-Fire Threat District	**TSB**	Total System Benefit
HPWH	Heat Pump Water Heater	**UVMs**	Unique Value Metrics
HTR	Hard-to-Reach	**WE&T**	Workforce Education and Training

CHAPTER 1: EXECUTIVE SUMMARY

Energy efficiency (EE) continues to play a key role in delivering affordability, reliability, climate, and equity benefits to California ratepayers. For more than two decades, EE has been first in the loading order, codified in the Public Utilities Code[1] and grounded in the principle that the least-cost kWh is the one never consumed.

California now faces steep projected load growth driven by new energy-intensive industries and the rapid electrification of homes, businesses, and transportation. The Lawrence Berkeley National Laboratory (LBNL) reported that, when compared to electricity generation, EE programs are a least-cost strategy to meet this growing demand, as EE resources consistently remain less expensive than building additional generation supplies.[2] The American Council for an Energy Efficient Economy (ACEEE) concluded that failing to prioritize EE would drive more costly generation investments and further strain ratepayer affordability.[3] Recent California Public Utilities Commission (Commission or CPUC) and California Energy Commission (CEC) analyses also underscore EE's high return on investment in reducing energy demand and meeting statutory requirements.[4] EE programs not only provide enhanced comfort, safety, and reliability within homes and businesses, but also generate many billions of dollars in lifetime savings that far exceed program costs, and which remain a very small and decreasing percentage of customer bills.

To that end, the Southern California Regional Energy Network (SoCalREN), administered by the County of Los Angeles ("the County"), submits this combined 2028–2035 Strategic Business Plan and 2028–2035 Portfolio Plan (collectively, the "Application") to advance EE, energy affordability, and climate resilience in Southern California. SoCalREN fills market gaps, with a portfolio intentionally structured to reach Disadvantaged Communities (DACs) and Hard-to-Reach (HTR) customers. This Application proposes a balanced set of strategies that optimize Total System Benefit (TSB) per dollar, deliver a cost-effective Resource Acquisition portfolio, and operationalize the Environmental and Social Justice (ESJ) Action Plan goals.

SoCalREN presents its annual projected portfolio forecast budgets, which sum to its eight-year budget cap request, along with forecasts for savings, cost-effectiveness, and TSB through 2035. Within this Plan, SoCalREN is requesting $838 million over the eight-year period from 2028–2035. SoCalREN is requesting $374.6 million in its four-year Portfolio Plan (only a 5 percent increase from the 2022 Business Plan to address ongoing inflation burden) and a forecasted budget cap for 2032–2035 of approximately $463.4 million.

This budget advances a long-term priority to address market gaps, build EE capacity within the energy industry, and expand service to HTR and vulnerable communities in ways that help reduce existing environmental justice inequities. For 2024–2031, SoCalREN forecasts achieving a TRC ratio above 1.0 annually for its RA portfolio and a total cumulative TSB of

[1] CPUC. (2026). Integrated Resource Plan and Long-Term Procurement Plan (IRP-LTPP).

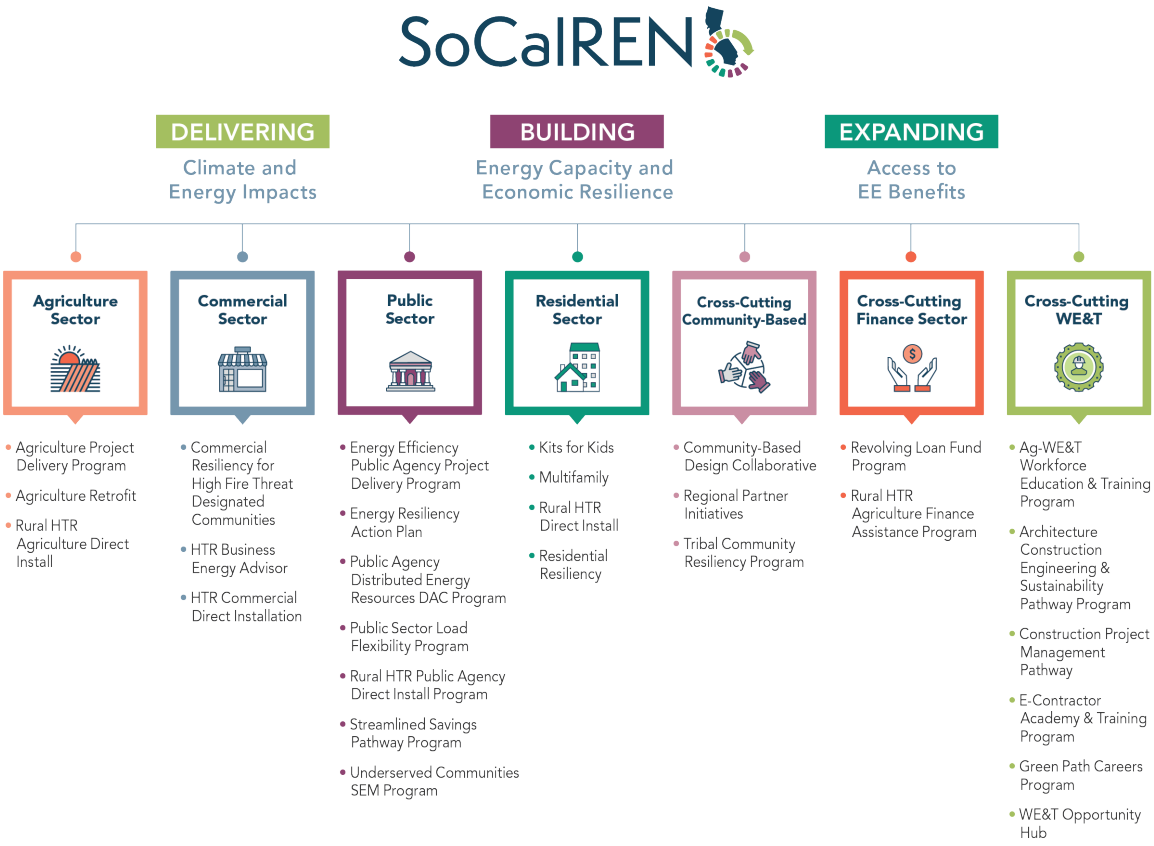
[2] LBNL, Consumer Benefits of Clean Energy: Energy Efficiency, pp. 4-5 (Dec. 2024).

[3] ACEEE, Faster and Cheaper – Demand-Side Solutions for Rapid Load Growth, p. 70 (Feb. 2026).

[4] CPUC, Report on DSM Programs Pursuant to PUC Section 913.5: 2021-2023 Results, p. 4 (Jul. 2025).

more than $295 million. This funding supports continued and enhanced core sector delivery and enables new Commercial and Agriculture services not addressed by IOU programs. The proposed four-year budget aligns with SoCalREN's core values and CPUC objectives, allocating 33 percent of resources to the Equity segment, 24 percent to Market Support, 39 percent to Resource Acquisition, and 4 percent to EM&V. A visual overview of SoCalREN's proposed 2028–2031 portfolio is presented in Figure 1.

Figure 1. SoCalREN 2028–2031 Portfolio Overview



Intent and Development of Application

Southern California faces escalating climate vulnerabilities, including increasingly destructive wildfires[5], more frequent extreme heat, hazardous air pollution, and mounting pressure on already strained water and energy systems. Rising energy costs compound these challenges, placing a disproportionate burden on vulnerable and underserved communities already grappling with energy insecurity, as described in the CPUC ESJ Action Plan. In this context, energy efficiency is more critical than ever, as both a mitigation strategy and a direct path to lowering utility bills and making energy costs manageable for those who can least afford them. SoCalREN intends to be a significant force in driving energy affordability and equity throughout the region by delivering programs that reduce energy use and ease the financial strain on households, while also providing measurable community benefits, such as workforce opportunities, healthier buildings, and reduced pollution.

[5] Poitras, C. (2025, January 22). When climate and health collide. Yale School of Public Health.

SoCalREN completed a thorough review of updated regulatory guidance and engaged in an extensive and lengthy stakeholder engagement process to identify both region-wide and hyperlocal needs. This process began with a comprehensive review of new Commission guidance, including revised Avoided Cost Calculator (ACC) values, updated segmentation rules, Decision (D.) 23-06-055, and Executive Order (EO) N-5-24. These directives establish the regulatory framework and performance expectations that shape SoCalREN's program direction. In parallel, SoCalREN's stakeholder engagement process brought forth key insights that helped ensure programs are grounded in the real needs of the communities and sectors served. Several consistent needs emerged across stakeholder groups; the programs and policy recommendations in this Application were explicitly shaped by these insights.

Energy affordability remains a key issue throughout the region. Stakeholders also repeatedly emphasized the need for simplified participation—from accessible financing options for single-family upgrades to streamlined, turnkey solutions for HTR communities and smaller public agencies. Rural and Tribal partners highlighted the need for locally informed program offerings that address hyperlocal challenges, including transitions from unregulated fuels to electrification. Across the territory, stakeholders also underscored the need for support in wildfire resilience, climate readiness, workforce development, and integrated Distributed Energy Resource (DER) planning.

In response, the portfolio was intentionally designed to deliver a more balanced and equitable investment strategy across the territory. Recognizing the urgent statewide focus on affordability and cost relief, the portfolio prioritizes solutions that reduce energy burdens and support ratepayer affordability consistent with EO N-5-24., this includes a consolidated and more accessible Public Sector offering, and a strengthened Residential portfolio. The portfolio reflects a clear shift toward strategic EE measures and decarbonization, ensuring that programs align with long-term climate and resilience objectives. It also embeds deeper community-based design and Tribal engagement practices to ensure offerings are locally grounded and culturally responsive.

Ratepayer Impacts and Access to Programs

SoCalREN's proposed portfolio delivers substantial value to ratepayers by maximizing energy savings, reducing barriers to participation, and expanding equitable access to clean energy programs and related employment opportunities across Southern California. Through optimized measure selection, the portfolio achieves a high TSB per dollar invested as well as significant peak-coincident electric savings, cost-effectively strengthening grid reliability. SoCalREN implements in this proposed business plan an administratively efficient portfolio with an emphasis on equity and delivery on impactful savings that have resulted in its Resource Acquisition programs a TRC of 1.0 or greater, *prioritizing cost-effectiveness and positive ratepayer outcomes*.

Ratepayers, particularly the DAC and HTR segments targeted by SoCalREN's programs, benefit directly from reduced energy burden through targeted offerings for single- and multi-family households and small businesses. Participation costs are further reduced through financing support, GoGreen financing, no-cost direct install (DI) offerings, and simplified one-stop-shop delivery models across all sectors served. Through multilingual

communications materials, Building Electrification Advisors (BEAs), strong CBO- and Regional Partner-led outreach, and expanded dedicated Tribal engagement, the portfolio improves access to information and hands-on support for historically underserved communities.

In addition to direct savings, the SoCalREN portfolio delivers meaningful non-energy benefits, quantified through program and project data. These include measurable resilience and economic benefits such as wildfire-hardening measures, indoor air quality improvements, DER readiness, and expanded load flexibility options that support improved energy management. To better understand and calculate the value of these benefits, SoCalREN has developed and is proposing a REN Total Benefit Metric calculation tool for Commission consideration, as noted in Chapter 11 and described in Exhibit 4: REN Total Benefit Metric.

Key Portfolio Strategies

SoCalREN's proposed portfolio advances a coordinated set of EE program delivery strategies that strengthen energy affordability, expand equitable access, and modernize buildings across Southern California. Programs were designed to reduce long-term rate impacts and simplify customer experience through coordinated technical assistance, accessible financing, and streamlined participation pathways.

Equity is embedded across the portfolio—not only within designated Equity segment programs—through alignment with the CPUC ESJ Action Plan 2.0 and the use of community-centered design principles. All programs incorporate ESJ goals related to equitable investment, access, community participation, and high-road workforce pathways. The Community-Based Design Collaborative ensures local voices guide program design and delivery, while dedicated Tribal engagement supports culturally appropriate, jurisdiction-specific pathways for sovereign nations. This Application also presents Policy Recommendations that would further reduce participation barriers and make energy efficiency easier to achieve.

The portfolio accelerates building decarbonization and modernization through simplified direct install offerings and whole-building retrofit approaches that integrate energy efficiency with electrification readiness, load flexibility, and indoor air quality improvements. Programs expand access to heat pumps, heat pump water heaters, and efficient building envelope upgrades. SoCalREN coordinates closely with initiatives such as TECH Clean California and the CEC Equitable Building Decarbonization program to advance mutually beneficial installations and support upgrades for a broader range of participants. These strategies deliver meaningful energy savings while preparing homes, small businesses, farms, and public buildings for future clean energy transitions.

SoCalREN's portfolio is informed by research from the national laboratories, particularly LBNL, to help guide program design and optimize portfolio impact. Drawing on best-available research on building performance, EE, and building-grid integration, SoCalREN puts proven technologies and delivery approaches into practice at scale. When California first turned to Dr. Arthur Rosenfeld's work at LBNL[6] to address the energy crisis of that era, energy

[6] Dr. Arthur H. Rosenfeld, a senior scientist at LBNL, was a leading figure in the development of California's EE policies, including appliance standards and building codes that helped reduce long-term energy demand and

efficiency emerged as a foundational solution for managing demand and improving affordability. In that same tradition, SoCalREN looks to LBNL's research legacy to help guide the State through the current energy affordability challenge and the transition toward a decarbonized energy system.

The portfolio brings these strategies together in an integrated delivery model that supports meaningful upgrades across all sectors and communities. Workforce initiatives build the capacity needed for sustained implementation, while streamlined public-sector pathways reduce administrative burden and help agencies move efficiently from planning to project completion. Across the territory, these combined approaches create a stable foundation for achieving long-term savings and strengthening participation territory-wide.

Forward-Looking Portfolio Vision

The 2028–2035 portfolio is designed to mature and evolve in terms of affordability, equity, and regional responsiveness as market conditions change and community needs shift. The portfolio builds on early-cycle optimization using updated ACC values, supporting higher TSB and continued alignment with statewide affordability and climate objectives. The strategies proposed in this Application carry forward the Commission's direction on ESJ, decarbonization, and long-term planning, ensuring investments remain focused on communities where energy burden, climate exposure, and economic constraints converge. With a service area that spans all or part of 13 counties, the portfolio remains sensitive to varying regional conditions—from dense urban multifamily markets to rural agricultural operations—and provides a flexible structure that can adapt to local needs. The policy recommendations included in this filing identify changes that would remove barriers and support deeper project development. Together, the portfolio and accompanying recommendations outline a trajectory for expanding clean energy benefits across Southern California.

improve affordability. See, e.g., LBNL, Arthur H. Rosenfeld (1926–2017); CEC, History of Appliance Efficiency Standards.

CHAPTER 2: PORTFOLIO SUMMARY

The SoCalREN service territory covers all or part of 13 counties and a population of more than 20 million, representing a vast and complex landscape for energy efficiency program delivery. Supporting achievement of the state's goals within this region requires navigating a wide array of climate zones, socioeconomic challenges, and overlapping jurisdictional boundaries.

Service Territory and Service Territory-Related Factors

A primary driver of SoCalREN's strategy is a focus on affordability and alignment with the Commission's Environmental and Social Justice (ESJ) Action Plan[7], as described below in Chapter 3: Portfolio Strategies. The territory includes a substantial number of DACs[8] and HTR customers who face disproportionately high energy burdens. These socioeconomic factors often make EE goals harder to achieve through traditional models, as these customers frequently lack the upfront capital or property control necessary to participate in standard rebate programs. By focusing on these barriers, SoCalREN fills critical gaps that other PAs may not address.

Environmental factors also influence how EE is delivered across the territory. For instance, in High-Fire Threat Districts[9] (HFTDs), climate change has increased the frequency and severity of wildfires, making it necessary to view EE through the lens of wildfire preparation and mitigation. Measures such as building envelope sealing provide dual benefits by improving energy performance while simultaneously increasing a structure's resilience against smoke and ember intrusion. This integrated approach allows SoCalREN to deliver higher impacts by addressing safety and reliability alongside energy savings. By aligning EE with these urgent climate realities, SoCalREN will maintain relevance and participation in communities where residents and businesses are forced to prioritize immediate survival and recovery over long-term energy upgrades.

The complexity of the Southern California energy market necessitates a high level of coordination with a variety of stakeholders, including Investor-Owned Utilities (IOUs), Community Choice Aggregators (CCAs), and local Community-Based Organizations (CBOs). Operating in a territory with multiple service providers requires a collaborative framework to prevent program duplication and customer confusion. SoCalREN leverages its unique position as a local government-led entity to work alongside these partners, identifying specific market segments like the public sector and multifamily residential

[7] California Public Utilities Commission. (2025). Environmental & Social Justice (ESJ) Action Plan. https://www.cpuc.ca.gov/ESJactionplan/

[8] Office of Environmental Health Hazard Assessment (OEHHA). (2021). California Communities Environmental Health Screening Tool: CalEnviroScreen 4.0. California Environmental Protection Agency.

[9] California Public Utilities Commission. (2018). High Fire-Threat District Map (Final). https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/network-resiliency/high_fire-threat_district_map_final.pdf

housing that require specialized intervention. This cooperative delivery model ensures that ratepayer funds are used efficiently to produce the greatest possible impact.

Application Summary Tables

The following tables present the comprehensive budget and performance forecasts for the SoCalREN portfolio over the 2028–2035 planning cycle. Tables 1 and 2 detail the four-year portfolio budget and forecast summaries for 2028–2031, including specific segment allocations and cost-effectiveness metrics such as Total System Benefit (TSB) and various cost test ratios. Table 3 provides the secondary four-year budget forecast for 2032–2035. Table 4 outlines the portfolio's adherence to statewide and third-party contribution percentage requirements.

Table 1. Four-Year Portfolio Budget Forecast Summary 2028–2031

	2028	2029	2030	2031	Total (4 Years)
Total Budget	$79,415,056	$89,590,522	$98,017,052	$107,529,080	**$374,551,710**
RA Segment	$29,745,933	$34,979,027	$38,217,357	$42,018,173	**$144,960,490**
MS Segment	$20,013,231	$21,900,279	$23,888,961	$26,071,998	**$91,874,469**
Equity Segment	$26,479,290	$29,127,595	$31,990,052	$35,137,746	**$122,734,683**
C&S Segment	N/A	N/A	N/A	N/A	**N/A**
EM&V	$3,176,602	$3,583,621	$3,920,682	$4,301,163	**$14,982,068**
ED Portfolio Oversight	N/A	N/A	N/A	N/A	**N/A**

Table 2. Four-Year Portfolio Forecast Summary 2028–2031

	2028	2029	2030	2031	RA Segment Only (Total 4-Year)	Entire Portfolio (Total 4-Year)
Total System Benefit (TSB)	$56,252,437	$72,401,824	$79,232,959	$89,096,963	**$225,765,020**	**$296,984,183**
Total Resource Cost (TRC) Resource Acquisition Segment Only	1.12	1.26	1.25	1.28	1.23	--
TRC Ratio (Portfolio)	0.68	0.76	0.76	0.78	1.23	0.75
Program Administrator Cost (PAC) Ratio	0.76	0.85	0.85	0.87	1.45	0.84
Societal Cost Test (SCT) Base	0.99	1.10	1.09	1.12	1.76	1.08
SCT High	1.00	1.10	1.09	1.12	1.76	1.08
Ratepayer Impact Measure (RIM) Test Ratio	0.58	0.62	0.62	0.67	0.81	0.63
Lifecycle GWh	33.28	48.30	66.42	2.24	38.71	150.24
First Year MW	8.10	8.43	9.44	10.35	20.54	36.32
Lifecycle MMTHERMS	32.01	38.37	39.04	44.62	121.56	154.04
Lifecycle Net Electric CO2 Metric Tons	8,460.66	8,162.96	10,929.56	4,456.11	12,541.27	32,009.29
Lifecycle Net Gas CO2 Metric Tons	169,962.99	203,762.38	207,323.72	236,911.34	645,473.85	817,960.42

Table 3. Four-Year Portfolio Budget Forecast Summary 2032–2035

	2032	2033	2034	2035	Total (4 Years)
Total Budget	$110,754,952	$114,077,601	$117,499,929	$121,024,927	**$463,357,409**
RA Segment	$43,278,718	$44,577,079	$45,914,392	$47,291,821	**$181,062,010**
MS Segment	$26,854,158	$27,659,783	$28,489,576	$29,344,265	**$112,347,783**
Equity Segment	$36,191,878	$37,277,635	$38,395,964	$39,547,843	**$151,413,320**
C&S Segment	N/A	N/A	N/A	N/A	**N/A**
EM&V	$4,430,198	$4,563,104	$4,699,997	$4,840,997	**$18,534,296**
ED Portfolio Oversight	N/A	N/A	N/A	N/A	**N/A**

Table 4. Portfolio Statewide and Third-Party Contribution Percentage Requirements

Time Period	Budget Component	Qualifying Budget	Cumulative Total Budget w/o OBF Loan Pool and ED Portfolio Oversight	Contribution Percentage	Minimum Threshold
2028–2031 (4 years)	Statewide [1]	N/A	N/A	N/A	20%
2028–2035 (8 years)	Statewide [1]	N/A	N/A	N/A	20%
2028–2035 (4 years)	Third-party [2]	N/A	N/A	N/A	60%
2028–2035 (8 years)	Third-party [2]	N/A	N/A	N/A	60%

CHAPTER 3: PORTFOLIO STRATEGIES

The following sections outline SoCalREN's strategic framework for the upcoming 4-year and 8-year periods. In alignment with Commission directives, these strategies address key priority areas including equity, affordability, and portfolio innovation.

Equity, Affordability, and Accessibility

Executive Order N-5-24

SoCalREN supports advancing affordability and mitigating overall rate impacts consistent with Executive Order N-5-24[10] and the Commission's Response to Executive Order N–5-24[11]. Several SoCalREN strategies align directly with the actions outlined in the Commission's report, which underscores the necessity of optimizing ratepayer funded programs to help curb rising energy costs.

To advance affordability and mitigate overall rate impacts, SoCalREN leverages EE to reduce participant energy usage and lower utility costs. We are committed to active participation in the EE Rulemaking process to ensure that state policies prioritize ratepayer relief and long-term affordability. This includes a rigorous focus on the cost-effectiveness of all programs, as further detailed in Chapter 4, to ensure that the benefits provided to ratepayers are fully justified by the costs of implementation. The portfolio supports additional efforts to maximize ratepayer value, including an active effort to layer SoCalREN projects with other complementary non-ratepayer-funded programs.

2028–2031 (4-Year Plan)

- Prioritize TSB per ratepayer dollar using current Avoided Cost Calculator (ACC) values; emphasize peak-coincident electric savings in measure mixes and NMEC pathways.
- Systematically layer non-ratepayer funding (e.g., federal/State grants, local capital) with SoCalREN offerings to reduce rate impacts.
- Integrate wildfire-resilience co-benefits, consistent with affordability goals that recognize wildfire mitigation as a rate driver.

Through 2035 (8-Year Outlook)

- Evolve portfolio screens to reflect future ACC updates and expanded load-flexibility value streams as CPUC proceedings refine cost-effectiveness inputs.

[10] State of California, Office of the Governor. (2024, October 30). Executive Order N-5-24. https://www.gov.ca.gov/wp-content/uploads/2024/10/energy-EO-10-30-24.pdf

[11] California Public Utilities Commission. (2025, February 18). CPUC response to Executive Order N-5-24. https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/reports/cpuc-response-to-executive-order-n-5-24.pdf

Policy Dependencies/Cross-Proceedings

- ACC updates in R.22-11-013; wildfire mitigation oversight; any legislative changes arising from the EO process.

Exempt Measures

SoCalREN is prioritizing the deployment of exempt measures by ensuring our dedicated equity programs serve 100 percent DAC and HTR participants, while our other programs maintain a 50 percent target for these same groups. To address the specific barriers faced by multifamily tenants and small businesses, we are proposing policy changes, Described in Chapter 10, to allow for minor remediations such as mold and structural repairs that currently prevent these customers from participating in energy efficiency upgrades. Our strategy focuses on a one-stop-shop model that uses AI to layer incentives and bill impact tools to prove the financial benefits of these measures to wary participants.

To ensure these measures are installed correctly, our WE&T programs are being aligned directly with our equity offerings to build a pipeline of local SMBEs and SMWDVBEs. We are also advocating for a REN Total Benefit Metric that quantifies the non-energy benefits of these exempt measures, ensuring every dollar spent translates into a qualitative impact for the community. In addition, for rural and Tribal areas, we are pushing to include incentivized generators to pair EE with much needed resiliency.

2028–2031 (4-Year Plan)

- Target exempt-measure deployment within equity programs by addressing pre-condition barriers (e.g., limited remediation enabling EE) and using one-stop support.
- Align WE&T pipelines (e.g., E-Contractor Academy; Green Path Careers) to ensure quality installs for exempt measures in DAC/HTR communities; report workforce indicators per CPUC Equity/Market Support guidance.

Through 2035 (8-Year Outlook)

- Scale based on evaluation results and Commission direction on equity segments.

Policy Dependencies/Cross-Proceedings

- Continued clarity from D.23-04-035 on allowable approaches.

CPUC ESJ Action Plan

SoCalREN's approach to advancing the CPUC's ESJ Action Plan Version 2.0 is centered on targeted resource allocation and localized engagement within ESJ communities. By integrating the EE portfolio strategy with these nine goals, SoCalREN will ensure that program benefits are prioritized for ESJ Communities (i.e., DACs, Low-Income

households, Communities of Color and Tribal Lands). This alignment helps SoCalREN work together with CPUC to address the disproportionate environmental and socioeconomic impacts faced by these groups. SoCalREN's understanding of the ESJ Action Plan Goals is described below:

1. **Integrate Equity in All Regulatory Activities:** Ensure that equity and access considerations are consistently part of the CPUC's proceedings, advice letters, and resolutions.
2. **Increase Clean Energy Investment:** Direct more investments toward clean energy resources in ESJ communities to improve local air quality and public health.
3. **Improve Access to Essential Services:** Focus on providing high-quality and affordable services to underserved communities.
4. **Increase Climate Resiliency:** Help ESJ communities prepare for and recover from climate-related impacts, such as wildfires, extreme heat, and power shutoffs.
5. **Enhance Outreach and Participation:** Lower barriers for communities to participate in the CPUC's complex legal and technical decision-making processes.
6. **Strengthen Enforcement and Consumer Protection:** Prioritize safety inspections and consumer protections to ensure that ESJ residents are not disproportionately harmed by utility malpractice or safety failures.
7. **Promote High Road Careers and Economic Opportunity:** Foster workforce development and career pathways within the utility and clean energy sectors for residents of ESJ communities; support expanded opportunities for Commercial program participants' businesses to thrive.
8. **Improve Internal Training and Staff Development Related to ESJ Issues within the CPUC's Jurisdiction:** Work in solidarity with other ESJ-aligned plans and efforts and offer new training opportunities to support shared goals.
9. **Monitor CPUC ESJ Efforts to Evaluate Effectiveness:** Provide meaningful metrics reporting and relevant consumer feedback to CPUC.

The SoCalREN portfolio prioritizes a community-first model that incorporates both on-the-ground outreach as well as actual capacity building within communities. By focusing on serving targeted areas (e.g., Equity ZIP codes, U.S. Department of Agriculture (USDA) Low Income Low Access (LILA)[12] areas, Title I schools, etc.) with energy efficiency solutions and WE&T, SoCalREN develops the long-term resiliency and economic opportunity objectives outlined in the ESJ Action Plan. These efforts specifically target populations that have historically been underrepresented in policy-setting and decision-making processes, providing the CPUC with measurable progress toward achieving equity across all regulated sectors.

[12] https://www.ers.usda.gov/data-products/food-access-research-atlas/state-level-estimates-of-low-income-and-low-access-populations

Table 5. Alignment with CPUC ESJ Action Plan Goals

Sector	Representative Sector Objectives	Aligned ESJ Action Plan Goals
Agricultural	Achieve environmental benefits: water savings, improved workplace conditions, GHG reductions, etc.	2, 3, 6
Commercial	Stimulate local leadership in EE and climate action for small and medium hard-to-reach businesses operating in ESJ communities.	2, 5, 7
Public	Ensure public agency critical facilities, particularly in underserved communities, are energy resilient and equipped to maintain essential community services during planned and unplanned power outages. Ensure facilities can support public health issues during extreme heat and wildfire events.	3, 4, 6
Residential	Offer comprehensive DER solutions to multifamily properties to significantly reduce GHG emissions	2, 3, 9
Cross-Cutting Comm. Based	Involve local communities in program design and encourage their participation. Ensure that programs deliver the services and benefits needed.	1, 3, 5
Cross-Cutting Finance	Stimulate and increase overall participation in SoCalREN programs and accelerate project development and implementation, with a focus on underserved customers.	1, 3, 9
Cross-Cutting WE&T	Direct engagement of the industry in program design to create a more robust hiring and contractor training, hiring and contractor network within DACs.	5, 7, 8

2028–2031 (4-Year Plan)

- Operationalize ESJ Action Plan v2.0 Goals 1–9, prioritizing investment in ESJ communities, climate resiliency, high-road careers, and enhanced participation.
- Embed ESJ indicators into our internal dashboards and CPUC reporting.
- Apply community engagement plans in equity and market-support programs, including compensated co-design via the Community-Based Design Collaborative.

Through 2035 (8-Year Outlook)

- Demonstrate measurable movement toward ESJ goals

Demographic Data Reporting

SoCalREN's preferred approach to demographic reporting focuses on statewide standardization and automated data integration to meet the requirements of D.23-06-055 (OP 23). We propose using the joint demographic templates and data fields established by the California EE PAs to ensure consistency across the CPUC portfolio and seamless alignment with CEDARS. By prioritizing the granular tracking of participation within DACs, low-income, and HTR communities, this approach provides a reliable framework for verifying equity impacts. SoCalREN will also continue to participate in statewide working groups to ensure our reporting methodologies remain transparent and responsive to evolving Commission equity goals.

2028–2031 (4-Year Plan)

- Use the statewide demographic templates and CEDARS alignment adopted in D.23-06-055; automate data capture for participation and equity indicators.

Through 2035 (8-Year Outlook)

- Enhance integration with CEDARS and future CPUC reporting requirements as expanded indicators and common metrics evolve.

Segment- and Sector-Specific Challenges

SoCalREN utilizes a specialized portfolio of programs designed to mitigate the financial, technical, and structural barriers that historically impede energy efficiency adoption. By aggregating targeted interventions, ranging from technical project delivery to zero-interest financing, the portfolio ensures equitable access to energy savings, supports the transition of underserved communities into the green economy, and enhances grid resiliency across the region's most underserved and complex market segments. The table below summarizes challenges faced by each sector, noting that segment-specific challenges are experienced across all sectors of the portfolio.

Table 6. Segment and Sector Challenges

Sector	Key Challenges and Market Barriers	Strategic Mitigation Approach	Intended Impact and Outcome
Agricultural	Geographic isolation; specialized equipment needs; seasonal cash flow volatility.	Specialized technical assistance for irrigation and HVAC; rural-specific direct installation and financing.	Increased installations of high-efficiency HVAC in rural and underserved areas.
Commercial	High energy burden in underserved zones; historical lack of program trust; limited capital for retrofits.	Implementation of no-cost direct installation services and community-centric outreach through business advisors.	Immediate reduction in utility costs; increased equity in program participation across underserved ZIP codes.

Public	Lengthy procurement cycles; lack of specialized technical staff; risk-averse governance structures; limited capital for retrofits.	Provision of third-party engineering support and technical project management throughout the project lifecycle.	Accelerated adoption of high-efficiency technologies; institutionalized strategic energy management.
Residential	Split incentives between owners and tenants; low awareness of high-efficiency technology in HTR areas.	Standardized coordination between program managers; targeted outreach and kits for hard-to-reach residents.	Improved resident comfort and health; reduced energy costs for low-to-moderate income tenants.
Cross-Cutting Sectors	Shortage of qualified local labor; limited access to traditional debt for diverse contractors; municipal budget constraints. Programs that do not meet local needs or are inaccessible.	Specialized contractor training for diverse firms; 0% interest bridge financing and revolving loan funds. Local engagement and community-based strategies.	Expanded pipeline of qualified diverse contractors; removal of financial barriers to project commencement.

2028–2031 (4-Year Plan)

- Deploy targeted interventions by sector (Agriculture, Commercial, Public, Residential) and cross-cutting supports (Finance, WE&T) as summarized in Exhibit 2.

Through 2035 (8-Year Outlook)

- Scale targeted activities region-wide; deepen NMEC use where appropriate; expand revolving and bridge finance supports.

Advancing Building Decarbonization

To advance building decarbonization within its EE portfolios, SoCalREN is shifting toward a comprehensive strategy that prioritizes carbon reduction alongside traditional energy savings. By integrating decarbonization goals directly into program design, we ensure that every efficiency measure contributes to California's broader climate targets. This approach allows us to modernize Southern California's building stock by replacing outdated infrastructure with high-efficiency, low-carbon solutions that enhance building performance and occupant comfort.

As a primary example of this integrated strategy, SoCalREN is proposing policy considerations that assist businesses and households in transitioning away from unregulated fuels, such as propane. These fuels are often a significant source of local air pollution and high costs for rural and underserved residents. By providing an incentive pathway that addresses the equity gap, these users can switch to cleaner, regulated

energy alternatives. This will help the communities we serve enjoy a more reliable jurisdiction with more stable energy costs as well as drastically improved indoor and outdoor air quality, benefiting public health.

The actual measures within our portfolios focus on accelerating the adoption of high-efficiency electric technologies, such as heat pump systems for space and water heating. To ensure these technologies are deployed effectively, we place a heavy emphasis on education and workforce development. We are committed to upskilling local contractors and providing the technical training necessary to install and maintain advanced decarbonization equipment. This investment in human capital not only supports a high-quality installation standard but also creates sustainable, green-sector jobs across the region.

Furthermore, as the administrator of the Equitable Building Decarbonization (EBD) program in the southern region, LA County was intentional in designing a state-funded program that would align with ratepayer-funded program priorities. This coordination ensures that different funding streams work together to maximize impact and reduce administrative hurdles for participants. SoCalREN will continue to work collaboratively with state programs like EBD and TECH Clean California (to leverage shared expertise and streamline the delivery of clean energy solutions to all Californians.

2028–2031 (4-Year Plan)

- Integrate decarbonization into EE design (e.g., heat pump space/water heating), with workforce upskilling and customer education; coordinate with programs like TECH Clean California.
- Coordinate ratepayer and state-funded EBD pathways to streamline no-cost retrofits for income-qualified households and braid incentives with SoCalREN services.

Through 2035 (8-Year Outlook)

- Expand whole-building decarb across multifamily and public sectors.
- Maintain alignment with statewide decarb policy under CPUC's Building Decarbonization proceedings.

Policy Dependencies/Cross-Proceedings

- TECH Clean California funding cadence and EBD program evolution; cost-effectiveness treatment of fuel substitution.

Low-GWP Refrigerant

SoCalREN's approach to refrigerant management and the adoption of low-Global Warming Potential (GWP) alternatives is central to the Commercial DI Program. This program specifically targets small and medium hard-to-reach businesses in low-

income and low-access areas, providing them with new energy-efficient equipment, including in some cases commercial refrigeration units.

In alignment with broader portfolio strategies, the program promotes the transition from older, high-GWP refrigerants like R-22 to sustainable alternatives. This is achieved by utilizing verified equipment lists for refrigerator replacements to ensure that each new unit contains low-GWP refrigerants. Furthermore, SoCalREN manages the environmental impact of this transition by incorporating responsible disposal practices, such as working with professional recyclers as necessary market actors to handle removed equipment.

Both in the period of the 2028-2031 Portfolio and the eight-year Business Plan, SoCalREN will monitor regulations and policies regarding refrigerant use and disposal and will adjust program guidelines accordingly as needed.

Portfolio Optimization

SoCalREN employs a dual-pronged strategy, utilizing both bottoms-up and top-down approaches to optimize the portfolio for its goals and requirements. For the bottoms-up strategy, the measure mix for each program was assessed to determine necessary changes to technical inputs while striving to maximize achievable TSB and cost-effectiveness within authorized budgets. This optimization process emphasizes higher-value measures, resulting in an updated cost-effectiveness forecast where the Resource Acquisition segment achieves a Societal Cost Test ratio exceeding 1.0 under both Base and High scenarios. Furthermore, the portfolio aims to reduce administrative costs and duplication by leveraging third-party implementation and consolidating programs with high impact and actionable saving deliverables.

To ensure savings are focused at peak times with high avoided costs, SoCalREN incorporated the most recent Avoided Cost Calculator results and updated measure packages into its forecasts. The optimization process specifically assessed changes in load shapes and other factors since the last filing to reflect a balanced portfolio that aligns with Commission objectives. These adjustments support ongoing portfolio goals of load flexibility and decarbonization, ensuring that programs are designed to deliver TSB that increases over the four-year term of the portfolio.

2028–2031 (4-Year Plan)

- Use ACC 2024 values (and subsequent updates) to optimize measure mix and focus peak-period avoided-cost value.
- Monitor Commission updates to methodology and integrate as issued.

Through 2035 (8-Year Outlook)

- Iterate portfolio based on ACC 2026+ updates and evolving permanent load shifting methods

- Scale offerings that consistently demonstrate higher TSB.

Integrated Demand-Side Management

Building upon the multi-DER IDSM framework established in Resolution E-5387, SoCalREN intends to transition its Integrated Demand-Side Management (IDSM) strategy into the 2028–2031 portfolio period. This framework integrates EE with other DERs, such as energy storage, electric vehicles, and distributed generation. The strategy provides pathways for technical assistance, audits, project development, and planning support. These activities support ongoing portfolio goals regarding load flexibility, decarbonization, resilience, and equitable access to clean energy.

Implementation of IDSM activities will continue through existing program structures. The Disadvantaged Communities Project Delivery Program (DER DAC PDP) provides EE–DER audits, IDSM project proposals, technical specifications support, and funding/financing assistance. The Energy Resiliency Action Plan (ERAP) supports long-term energy resilience planning for critical facilities by delivering EE–DER audits and "shovel-ready" projects. ERAP reports also provide additional key information for agency decision-makers, such as grid outage data and EV fleet analyses tailored to agency priorities.

2028–2031 (4-Year Plan)

- Continue multi-DER IDSM under the Commission-approved framework in Resolution E-5387, with delivery through DER DAC and ERAP, with the potential addition of IDSM services to the Ag PDP and Commercial BEA programs during the four-year period.

Through 2035 (8-Year Outlook)

- Expand IDSM participation throughout the region; integrate lessons into scalable guidelines for public, commercial HTR, and multifamily segments.

Innovation and Workforce Development

Portfolio Innovation

SoCalREN's proposed portfolio spurs innovation by shifting toward deep community-based integration and holistic whole-building resiliency, moving beyond traditional, measure-specific EE models. A key delivery innovation is the in-community approach, where program implementers hire and train staff from specific HTR areas and DACs to serve their communities. This strategy builds local trust and capacity—and helps flagship communities demonstrate the leadership and action needed to contribute to the State's workforce and climate goals.

Technologically, the portfolio advances the integration of Distributed Energy Resources (DERs) and resiliency measures directly with energy efficiency. New programs like Commercial Resiliency for High Fire Threat Designated Communities pair traditional

efficiency upgrades with envelope hardening, HVAC filtration, and on-site energy storage to protect small businesses against wildfires and public safety power shutoffs.

SoCalREN's portfolio innovates its marketing and outreach by utilizing dedicated Business Energy Advisors (BEAs) who serve as single points of contact for HTR businesses. These advisors simplify the complex landscape of program offerings, coordinating services across the portfolio to ensure that the most vulnerable customers can navigate and access high-road career paths and economic opportunities.

2028–2031 (4-Year Plan)

- Advance in-community hiring and EE + envelope hardening strategies.

Through 2035 (8-Year Outlook)

- Systematize community co-design, BEA-style navigation for HTR businesses, and resilience-integrated EE models that can replicate region-wide.

WE&T Growth Strategy

SoCalREN's WE&T programs focus on increasing technical expertise and professional standards to ensure energy efficiency installations are performed correctly and effectively. By providing specialized training and industry certifications, such as North American Trade Excellence (NATE) and EPA 608, the programs equip workers with the specific technical skills needed for high quality work. Additionally, the Construction Project Management Pathway specifically addresses quality control and compliance, training individuals to manage clean energy projects from start to finish with professional oversight.

These initiatives emphasize job placements by creating direct connections between trained workers and employers through work experience, internships, and the WE&T Opportunity Hub. For example, the Green Path Careers program tracks specific key performance indicators (KPIs) for job and intern placements while providing paid work experience to bridge the gap between education and employment. Simultaneously, the E-Contractor Academy prepares small and diverse contractors to compete for larger projects by offering technical coaching and access to project pipelines, ensuring that skilled labor is successfully integrated into the market.

2028–2031 (4-Year Plan)

- Expand credential-based training (e.g., NATE/EPA 608, BPI, etc.) with pipelines to placements.

Through 2035 (8-Year Outlook)

- Grow SMW/DVBE contractor participation and local technician talent across rural and urban markets; track outcomes per CPUC Workforce Standards evaluation learnings.

Community-Based Program Design

SoCalREN incorporates community-based program design through its Community-Based Design Collaborative (CBDC), a framework that shifts from traditional top-down outreach to a co-design model. This process ensures meaningful involvement by forming a coalition composed of CBOs and local leaders who are compensated for their expertise. The design explicitly targets HTR participants and DACs to advance equity and align with ESJ Action Plan goals.

The framework specifically prioritizes Tribal involvement by identifying Tribal entities as eligible participants and potential members of the Core Design Team. This ensures that program initiatives address the unique infrastructure and energy needs of Tribal communities. Our Commercial Sector engages with Tribal stakeholder groups and governments to enroll small and medium Tribal businesses into program offerings. In addition, SoCalREN utilizes its network of Regional Partners and public agencies to bridge the gap between programs and potential participants, helping to identify specific community barriers and recruit grassroots organizations that have established trust within their neighborhoods.

In compliance with D.23-06-055, SoCalREN coordinated with other PAs through the California Energy Efficiency Coordinating Committee (CAEECC) and shared workshops. This coordination was used to structure a process that defines "community-based program design" consistently across the state while allowing for local flexibility. The process SoCalREN developed involves four distinct phases: outreach and recruitment of CBOs, a collaborative design phase where community members define goals, implementation planning for specific energy efficiency initiatives, and a continuous feedback loop for evaluation.

Regarding the administration of these programs, SoCalREN recommends that a community-based approach be administered regionally rather than statewide. RENs are best suited for this role because they possess the local expertise and established relationships necessary to address hyper-local needs. SoCalREN suggests that while statewide IOUs can provide technical support, the actual administration should stay with regional PAs to ensure that programs remain accessible and relevant to the specific ESJ communities they serve.

SoCalREN also recommends the addition of a Cross-Cutting Community-Based Design sector and designed its portfolio as such including this suggested sector.

CHAPTER 4: FORECAST METHODOLOGY & ZERO-BASED BUDGETING

SoCalREN has proposed a comprehensive portfolio of energy efficiency programs which builds on current momentum in our existing portfolio programs and fills gaps left by traditional energy efficiency programs. Overall, SoCalREN has supported access to underserved customers to ensure increased adoption of energy efficiency, designed equity programs that fill voids in disadvantaged communities, and proposed targeted resource acquisition programs where IOUs have been either unwilling or unable to. At the same time, SoCalREN has established infrastructure efficiencies, streamlined program implementation practices that has supported a larger portfolio and a larger delivery on TSB—*maximizing the return on ratepayer funding while supporting the most underserved communities*.

Demonstration of the Reasonableness of Request

SoCalREN's application reflects a prudent and administratively efficient budget request based on updated technical inputs, sector specific deliverables, and a zero-based budgeting approach consistent with D.21-05-031.[13] The proposed budget is built entirely from the bottom up, with each program's expenditures justified through forecasted outcome-based program impacts, project delivery requirements, and updated measure assumptions. The proposed budget reflects a modest 5% budget increase to maintain our current operational capacity and absorb rising costs. This adjustment reflects our commitment to fiscal responsibility while ensuring we can continue to deliver the same level of service and quality without compromise. Rather than expanding our scope, this increase is strictly intended to offset the impact of inflation.

To forecast and allocate budgets and benefits across Resource Acquisition, Equity, and Market Support segments, SoCalREN used a combined bottom up and top-down methodology. At the program level, staff reviewed updated measure packages, avoided cost values, net to gross ratios, load shapes, and engineering assumptions to develop achievable savings and Total System Benefits. Delivery type and measurement methods, including deemed, custom, and NMEC approaches, were incorporated into each forecast to ensure realistic projections. Market Support and Equity allocations

[13] D.21-05-031, COL 22: "The Commission should require zero-based budgeting for the funding proposals in the business plan and four-year portfolio applications, so that program administrators must justify the need for the expenditures included."

were based on anticipated service needs, the level of technical assistance required, and the unique challenges faced by hard-to-reach customers.

Sector level budget allocations were developed using pipeline assessments, historical demand, and updated market conditions within the Public, Commercial, Residential, and Agriculture sectors. Forecasts for each sector accounted for measure performance, project outcomes, customer characteristics, and implementation costs. No Codes and Standards budgets or benefits were included because SoCalREN does not administer C&S programs.

In alignment with Ordering Paragraph 8 of D.21-05-031 , SoCalREN's zero based budget process rebuilt each program from first principles. Staffing, implementation, outreach, engineering, and evaluation activities were reviewed individually to determine the actual resources required for the 2028–2031 period. This process also incorporated efficiencies from program integration and updates to delivery pathways.

Program Modifications from the 2024–2027 Portfolio Cycle

SoCalREN made a number of Program Modifications from the 2024-2027 program cycle in planning for its 2028-2031 portfolio. These changes are designed to streamline administrative processes, enhance service delivery, and better align with the evolving energy needs of within the region. In addition, SoCalREN recognizes energy affordability as an equity issue, a public health issue, an economic issue, and a climate issue. Energy efficiency upgrades in particular represent one of the highest-return, most broadly beneficial investments from which a building or residence can most benefit. SoCalREN has made modifications that promote energy affordability and achievement of the greatest possible impact with ratepayer funding, directed toward those with the greatest need.

Detailed information regarding budget allocations and program closures is provided below, followed by summary tables detailing closed and new programs. For a more comprehensive look at individual program designs, objectives, and specific implementation strategies, please refer to Exhibit 2.

Commercial Sector

For the Commercial Sector, SoCalREN is shifting its strategy to focus on sector efficiencies, streamlined integration and specialized resilience. The California Green Business Network (CAGBN) program is closed as a standalone offering, with its functions and remaining approximately $2M budget redirected into the existing HTR Business Energy Advisor program. This change allows the portfolio to provide technical assistance for Green Business Network certification through a more efficient approach rather than maintaining separate program administrative tracks.

To address emerging climate risks, a new program focusing on Commercial Resiliency for High Fire Threat Designated Communities will be launched. This initiative provides

energy efficiency and indoor air quality upgrades specifically for small and medium businesses in areas prone to wildfires or power shutoffs, ensuring these enterprises can maintain operations during extreme weather events. In addition, the Food Desert Energy Efficiency Equity Program will be merged with the Commercial DI program, creating project delivery efficiencies, administrative cost reductions, and allowing SoCalREN to serve additional participants.

Cross-Cutting Sector: WE&T

California faces a significant skilled labor shortage in the construction sector, particularly in the context of wildfire recovery, though industry leaders increasingly view this challenge as an opportunity to modernize and expand workforce development pathways. Recent economic impact analysis indicates that wildfire rebuilding activity in California is projected to generate up to 209,000[14] job-years, with the majority of demand concentrated in construction and related trades. Meeting this level of demand will require a targeted and coordinated workforce development strategy to build the skilled labor pipeline necessary to support recovery efforts, accelerate rebuilding timelines, and ensure project quality. Strategic workforce investments also present a critical opportunity to expand equitable access to high-quality jobs for residents of disadvantaged, low-income, Tribal, rural, and hard-to-reach communities, while strengthening regional capacity to respond to future climate-driven rebuilding needs.

For these reasons, the SoCalREN WE&T Sector is introducing a new program focused on a Construction Project Management Pathway. This program will partner with community colleges and trade schools to provide professional development for new and existing field workers, as well as alumni of existing equity-focused workforce programs. The pathway is designed to support participants' transition into construction management roles through targeted training in project budgeting, scheduling, and site coordination. The program will also directly connect participants to job placement opportunities aligned with rebuilding, decarbonization, and resilience projects anticipated during this business plan period, including partnerships with the California Energy Commission's Equitable Building Decarbonization (EBD) Program and other wildfire rebuilding and clean energy industry partners.

Public Sector

With an eye on administrative and portfolio efficiencies, SoCalREN will elevate and streamline its public programs portfolio by consolidating the five existing incentive programs into three. This strategic refinement is designed to reduce administrative costs to maximize administrative efficiency, strengthen program coherence and without sacrificing the high-quality services provided for public agencies by SoCalREN's public sector portfolio. Through this approach, SoCalREN will deliver a more integrated

[14] LA County Department of Economic Opportunity (DEO) and LA County Economic Development Corporation (LAEDC), Institute for Applied Economics. The Los Angeles Wildfires: Economic Impact Update #2 (January 2026).

experience while continuing to advance energy savings and continue the momentum on delivery high impact in the region.

- Services currently provided through the Water Infrastructure Program (WIP) and Normalized Metered Energy Consumption (NMEC)—which was closed as a standalone offering in 2025 through the TUAL filing—will be consolidated into the Streamlined Savings Pathway (SSP). This consolidation expands the scope and reach of SSP while improving the delivery of incentives and technical support.
- Water/Wastewater Strategic Energy Management (W/WW SEM) and Underserved Schools Strategic Energy Management (US SEM) will be combined into a single program, the Underserved Communities SEM (UC SEM) Program. This unified, equity-focused program expands access to SEM services across public agencies and ensures consistent, comprehensive energy management support for underserved communities, while remaining exclusively focused on under-resourced public agencies not currently served by IOU programs.

Lastly, and most importantly, SoCalREN proposes through this Application to introduce a new Public Agency Load Flexibility Program. As extreme heat events increase in frequency and severity and continued pressure is placed on the State's electric grid, SoCalREN has identified a significant opportunity for public agency facilities to serve as a low-cost resource for improving grid reliability. Through strategies such as load shedding, load shifting, and load modulation, public agency buildings can reduce demand during periods of grid stress. In addition, the program is designed to help public agencies lower energy costs, reduce greenhouse gas emissions, and decrease peak electric demand.

Residential Sector

In the Residential Sector, the portfolio is adding a Single-Family Whole-Home Solutions Program (Residential Resiliency Program) to address a gap in service for owner-occupied households and more effectively support single-family customers facing energy affordability challenges. This resource acquisition program targets residents who do not qualify for no-cost assistance but continue to face significant financial and technical barriers to completing comprehensive energy efficiency upgrades. The program will be paired with GoGreen financing to support resiliency and electrification measures. These investments are expected to substantially reduce household emissions while improving long-term economic resilience for participating customers.

Table 7. Closed Programs from the 2024–2027 Cycle

Name of Closed Program	Segment	Sector	Unspent Budget of	Total EE Budget from the	Rationale for	Underperformance and Remediation

			the Closed Program	2024–2027 Cycle	Program Closure	
CA Green Business Network (CGBN)	MS	Comm.	$2,221,282	$2,221,282	SoCalREN will use the CGBN cert. tool for business cert. through the HTR BEA program. In lieu of a standalone program.	SoCalREN works with CGBN-participating Regional Partners to support small commercial businesses seeking certification, with the HTR BEA program facilitating outreach and referrals.
WIP	RA	Public	$0	$6,825,430	Reduced administrative costs; flexible program design aligned with goals; unified model that simplifies marketing and improves reach to target audiences.	N/A – WIP and NMEC programs are being consolidated under the SSP program.
NMEC			$0	$2,857,320		
W/WW SEM			$0	$6,532,434		N/A—W/WW SEM and Underserved Schools SEM are being consolidated under the new Underserved Communities SEM program
US SEM			$0	$4,756,708		

Table 8. New Programs in 2028–2032 Application Cycle

Name of New Program/ Placeholder Program	Segment	Sector	High Level Program Description/Purpose
Commercial Resiliency Program	Resource Acquisition	Commercial	The Commercial Resiliency for High Fire Threat Designated Communities program will provide energy efficiency and resilience upgrades to small and medium businesses. The program will prioritize services to commercial businesses located in high fire threat designated areas or those who have recently experienced wildfire. The program's purpose is to reduce energy costs, enhance indoor air quality, and prioritize resiliency to wildfire and

Name of New Program/ Placeholder Program	Segment	Sector	High Level Program Description/Purpose
			extreme weather-related disruptions such as public safety power shutoffs (PSPS).
Load Flexibility Program	Market Support	Public	This non-incentive program helps public agencies reduce energy costs and strengthen grid stability through event-based and permanent load shifting. It provides technical assistance to assess energy use, verify time-of-use (TOU) rates, benchmark peak loads, and evaluate cost-effective load flexibility options across facilities.
Underserved Communities Strategic Energy Management (SEM)	Equity	Public	This incentive program supports underserved public agencies in adopting long-term energy efficiency and load management practices through a six-year engagement. By combining SEM training, site-specific activities, and technical support, it helps staff reduce energy use and peak demand, emphasizing low- and no-cost improvements to lower utility bills and boost engagement.
Construction Project Management Pathway	Equity	WE&T	The CPM Program provides training through community colleges to support ACES Alumni, GPC Participants, employees of ECA Contractors, and Foremen, Superintendents, other In-Field Workers aging out the field. Focuses on building all aspects project management knowledge and skills to improve contractor capacity, enhance competitiveness for larger projects, and support professional advancement. Participants gain foundational knowledge in planning, scheduling, budgeting, site coordination, subcontractor management, safety, quality control, and compliance, preparing them for project management positions in the construction and clean-energy sectors.
Residential Resiliency Program	RA	Residential	A single-family residential program designed to support owner occupied households that do not qualify for no cost programs but face financial and technical barriers to completing comprehensive home upgrades. The program is intended to pilot a whole home, coordinated upgrade pathway that bundles energy efficiency measures with beneficial electrification and customer technical assistance, while leveraging private capital. Program design assumptions and participation

Name of New Program/ Placeholder Program	Segment	Sector	High Level Program Description/Purpose
			scale are informed by recent stakeholder discussions and engineering savings forecasts, with an initial focus on moderate enrollment and a ramp up strategy that builds toward cost effectiveness over time.

CHAPTER 5: PORTFOLIO MANAGEMENT

The SoCalREN Business Plan portfolio is designed to maximize ratepayer value by prioritizing service to the most underserved communities. Chapter 5 provides an overview of portfolio goals, metrics, and optimization strategies.

Key Metrics and Outcomes

Four-Year Goals

Over the 2028–2031 period, SoCalREN is expected to deliver measurable progress toward the Commission's near-term objectives, including maximizing TSB and achieving a cost-effective Resource Acquisition (RA) segment portfolio across the four-year cycle.

SoCalREN anticipates delivering more than $295 million in TSB and, building on momentum from the current Business Plan cycle, achieving a cost-effective Resource Acquisition (RA) portfolio with a TRC greater than 1.0. These outcomes are achieved while advancing equity, strengthening affordability, and strategically accelerating decarbonization. The four-year strategy focuses on optimizing measure mixes, reducing costs where feasible, and delivering targeted, high-impact energy efficiency activities aligned with updated statewide avoided-cost guidance and the most recent load-shape data.

Programs within the RA segment are intentionally structured to capture peak-coincident savings and support cost-effective electrification measures consistent with California's long-term climate goals.

The four-year period also emphasizes expanding non-energy benefits across the portfolio. On average, the portfolio is expected to achieve a 20 percent increase across sector-specific non-energy benefit metrics over the four-year period. These data will be collected and reported annually, enabling SoCalREN to track progress and demonstrate impacts that are both quantifiable and visible within the communities it serves. Collectively, the activities planned for the first four years position SoCalREN to deliver strong TSB performance and cost effectiveness, deepen participation among disadvantaged communities, and establish a foundation for more comprehensive upgrades and expanded program sophistication in the latter portion of the Business Plan cycle.

Eight-Year Goals

Across the full 2028–2035 Business Plan horizon, SoCalREN's strategy shifts from early-cycle activation and capacity building toward deeper, scaled implementation of

whole-building energy efficiency and integrated demand-side solutions. As markets mature and workforce pipelines expand, SoCalREN anticipates broader deployment of multi-measure retrofits, expanded use of NMEC for complex facilities, and growing adoption of electrification and decarbonization technologies across all sectors. By supporting repeated participation from public agencies, agricultural operations, multifamily building owners, and SMBs, the portfolio helps normalize long-term energy management practices and cultivates institutional capacity for ongoing, recurring upgrades.

Equity goals will also evolve during the eight-year period. Early emphasis on outreach, access, and barrier removal transitions into sustained investment, long-term economic resilience, and strengthened community leadership in the clean energy transition. The Community-Based Design Collaborative and Tribal Program provide a durable foundation for ensuring that program benefits, workforce opportunities, and resilience investments are grounded in local expertise and community ownership. Over time, SoCalREN's approach is expected to produce measurable progress across multiple ESJ Action Plan objectives, including improvements in climate resilience, indoor air quality, energy affordability, and participation in high-road jobs.

The eight-year vision also recognizes the growing role of layered funding and financing. As federal and State decarbonization programs continue to evolve, SoCalREN's technical assistance, loan support, and project development frameworks will help customers navigate increasingly complex funding environments. By leveraging non-ratepayer capital, the portfolio aims to reduce long-term rate impacts while enabling deeper retrofits and accelerating electrification in high-need communities.

Taken together, the full Business Plan period represents a transition from foundational growth to sustained, systemic impact. By 2035, SoCalREN anticipates a more resilient, energy-efficient Southern California region supported by mature local workforce pipelines, strengthened public institutions, and broad participation from communities traditionally underserved by energy efficiency programs.

Logic Models

The portfolio logic models presented in this section describe how program resources, activities, and delivery strategies are expected to produce measurable outcomes over both the four-year portfolio cycle and the longer-term planning horizon. These models provide a clear, transparent framework linking near-term implementation decisions to broader policy objectives related to affordability, equity, system benefits, workforce development, and resilience.

The **Four-Year Portfolio Logic Model** focuses on the 2028–2031 portfolio cycle and aligns directly with program delivery, budgets, and performance expectations within the current business plan. It identifies the key inputs, activities, outputs, and short- and medium-term outcomes anticipated within the four-year timeframe, including increased

participation among priority populations, delivery of whole-building and multi-measure retrofits, expansion of workforce and contractor capacity, and achievement of portfolio-level energy savings and system benefits.

Sector-specific four-year logic models that further detail these pathways for the residential, commercial, public, agricultural, and cross-cutting sectors are provided in Appendix A.

The **Eight-Year Portfolio Logic Model** presents a complementary long-term perspective by situating the four-year strategies within broader structural challenges, including persistent affordability pressures, aging building stock, workforce capacity constraints, and escalating climate risks. This model illustrates how sustained investment in technical assistance, financing, community-based design, workforce development, and NMEC- and SEM-based approaches is expected to drive durable energy savings, institutional capacity, resilience, and equity outcomes beyond a single portfolio cycle.

Figure 2. Four-Year Portfolio Logic Model

Inputs

- Ratepayer funding across RA, MS, and Equity segments
- Implementation teams including BEA, engineers, and DI crews
- CBOs, Tribal partners, and Regional Partners
- Technical tools and data including ACC, eTRM, SEM, and NMEC
- Financing including the RLF, OBF, GoGreen, and USDA
- WE&T programs including ACES, GPC, ECA, and the CPM Pathway

Activities

- Audits, benchmarking, facility assessments scoping, SEM, NMEC
- DI measures for HTR and rural customers
- Incentivized retrofits
- Support for load flexibility, DER, and resilience planning
- Workforce training, certifications, and support
- Financing assistance including incentive stacking and grant navigation
- Community and Tribal co-design and engagement

Outputs

- Benchmarking and technical assessments completed
- DI measures implemented
- Retrofit scopes developed and projects initiated
- SEM cohorts launched and NMEC sites prepared
- Loans issued and external funds leveraged
- Contractors trained and workers placed

Short-Term Outcomes (Years 1-2)

- Increased participation among disadvantaged, hard-to-reach, Tribal, and rural communities
- Early reductions in energy use and customer bills
- Improved comfort and indoor air quality
- Initial expansion of the regional workforce and contractor pool
- Stronger project pipelines moving from assessment to implementation readiness

Medium-Term Outcomes (Years 3-4)

- Completion of a higher volume of whole-building and multi-measure retrofit projects
- Demonstrated persistence of SEM practices and implementation of NMEC-based projects
- Increased use of blended capital stacks improving project affordability and feasibility
- Expanded and more diverse contractor base with increased local delivery capacity
- Measurable portfolio-level energy savings, GHG reductions, and system benefits

Assumptions

- Peak-coincident electric savings continue to be valued
- NMEC and SEM remain allowable and supported pathways for verifying savings
- Federal, state, and local non-ratepayer funding remains accessible and stackable
- Workforce training pipelines translate into near-term employment and contractor capacity

External Factors

- Utility rates, wildfire and PSPS impacts, and extreme heat influence participation and need
- Timing and availability of federal and state incentives affect project economics
- Local government budget cycles and procurement processes affect public-sector timelines
- Supply-chain conditions and contractor availability affect costs and delivery schedules
- Regulatory changes to cost-effectiveness, segmentation, or reporting requirements influence portfolio design and execution

Figure 3. Eight-Year Portfolio Logic Model

1. Problem / Issues and Stakeholders (Context)

- Significant affordability challenges across Southern California, with disproportionately high energy burden in disadvantaged, low-income, rural, tribal, and hard-to-reach communities.
- Aging and energy-inefficient building stock across residential, commercial, agricultural, and public sectors, requiring major capital investment to modernize.
- Public agencies, small businesses, and small agricultural operations often lack staff capacity, technical expertise, and financial resources to pursue energy upgrades.
- Contractors in underserved areas experience barriers such as limited certifications, low business capacity, and restricted access to project pipelines.
- Communities face increasing climate-related hazards, which intensify demand for resilience and readiness solutions.
- Historic underinvestment and structural inequities reduce participation in statewide clean-energy programs and create persistent access challenges for priority communities.
- Many households and businesses lack awareness of programs, distrust providers, or face language and logistical barriers that limit program engagement.

2. Program Objectives (subset of high-level goals)

- Reduce energy burden and increase access in DAC, LI, tribal, and rural communities.
- Increase TSB and deliver cost-effective savings supporting CA's long-term goals.
- Expand resilience for high-risk communities and public facilities.
- Build a diverse, local clean-energy workforce capable of delivering large-scale retrofits.
- Grow participation and capacity among small public agencies, SMB, and ag operations.

3. Program Resources

- Ratepayer funding across Resource Acquisition, Market Support, and Equity segments.
- Workforce development programs: ACES, Green Path Careers, E-Contractor Academy, Construction Project Management training, Ag WE&T.
- CBOs, Tribal partners, Regional Partners, and public agency relationships.
- Technical tools (eTRM, NMEC data, SEM resources, load shape data, ACC updates).
- Revolving Loan Fund, OBF, USDA and GoGreen resources, and grants.
- Sector-specific contractors across agriculture, commercial, public, and residential markets.

4. Program Activities

- Delivery of whole-building and multi-measure retrofits.
- NMEC-based and SEM activities for long-term public agency energy management.
- Direct install services for hard-to-reach, DAC, tribal, and rural customers.
- Wildfire-resilience and DER-readiness measures integrated with energy efficiency.
- Workforce training, certifications, and targeted pipelines for disadvantaged workers.
- Community-based program design and co-design through CBOs, Tribes, and local partners.
- Technical assistance, project scoping, and financing support for complex retrofits.

5. Program Outputs

- Increased number of audits, direct installs, and whole-building retrofits.
- Expanded SEM participation and NMEC project portfolios in public agencies.
- Higher volumes of multifamily, small business, ag, and public projects completed.
- Greater number of certified contractors and workers placed in clean-energy jobs.
- More leveraged external funding through grants, loans, and incentive stacking.
- Increased outreach, community-based design sessions, and tribal engagement activities.

6. Program Outcomes (near-term and long-term)

Near-Term

- Increased participation across DAC, LILA, Tribal, rural, and small-public-agency customers.
- Early improvements in energy savings, indoor air quality, and bill reduction.
- Initial expansion of contractor capacity and local workforce.
- Growth in project pipelines, especially in multifamily, public, and agricultural sectors.

Long-Term

- Persistent, deep energy savings and GHG reductions.
- Widespread adoption of electrification and multi-measure retrofit packages.
- Strong, diverse, local workforce with long-term career pathways.
- Higher resilience of buildings to wildfire, extreme heat, outages, and smoke intrusion.
- Sustained energy-burden reductions and measurable ESJ progress.
- Institutionalization of long-term SEM and decarbonization planning within public agencies.

7. Assumptions About the Program (Researchable Questions)

- Customers with technical assistance and financing will complete deeper retrofits.
- Workforce development + contractor support will increase capacity and project quality.
- Community-based design will increase trust, participation, and equitable outcomes.
- NMEC + SEM will lead to persistent energy savings in public agencies.
- Layered funding will reduce ratepayer costs while enabling more comprehensive projects.
- Eliminating participation barriers will increase uptake in DAC/HTR communities.

8. Non-Program Influences

- Statewide affordability pressures, utility rate increases, and wildfire-related cost drivers.
- Climate impacts such as extreme heat, wildfire smoke, PSPS events, and drought.
- Availability of federal and state grants (EECBG, IRA incentives, CEC programs).
- Local government budget cycles and competing priorities.
- Supply-chain constraints and contractor availability.
- Regulatory changes and updates to CPUC cost-effectiveness methodologies.

Unique Value Metrics

SoCalREN's Unique Value Metrics (UVMs) provide a tangible expression of its three core values, which were intentionally designed to align with the CPUC's segmentation framework. Resource Acquisition outcomes are advanced through SoCalREN's core value of Delivering Energy and Climate Impacts, ensuring that each completed project produces meaningful energy savings and greenhouse gas reductions. Through activities that Build Energy Capacity and Economic Resilience, SoCalREN supports the Market Support segment by strengthening the technical capacity of local governments and creating pathways for individual success within the clean energy workforce. SoCalREN's commitment to Expanding Access to Energy Efficiency Benefits guides its approach to delivering Equity segment outcomes, resulting in measurable improvements for underserved communities, including disadvantaged and hard-to-reach populations.

SoCalREN administers programs across all portfolio segments and has reviewed each program to identify appropriate segment-specific metrics for tracking performance. Consistent with CPUC Resolution E-5351, adopted in June 2025, which refined equity and market support indicators and streamlined common metrics, SoCalREN began reporting these measures in Q4 2025 and through the 2025 Annual Report. The resolution also directed the Reporting Program Coordination Group to finalize methodologies and develop a reporting template for metrics not yet available in CEDARS. SoCalREN is preparing to implement the finalized template to ensure consistent collection and reporting of segment-specific, common, and value metrics across the portfolio.

In addition, by tracking the UVMs presented below, SoCalREN demonstrates portfolio impacts beyond traditional Total System Benefit metrics. These measures capture broader market and community outcomes—such as increased municipal capacity and a skilled, trained workforce—that are essential to meeting evolving needs throughout the clean energy transition. Collectively, the UVMs illustrate how SoCalREN's programs support regional economic stability and energy equity while continuing to advance the State's climate goals.

Table 9. SoCalREN Unique Value Metrics

Unique Value Metric (UVM)	Description of What It Measures	Tracking & Reporting Approach including targets where applicable	Strategic Importance to REN Portfolio
Portfolio-Wide			
Final Portfolio kWh	Total annual electricity savings achieved across all programs.	Tracked via project completion data; reported quarterly. **Target: 740,000,000 gross kWh (total 2028-2031)**	Primary indicator of Resource Acquisition and grid relief.

Unique Value Metric (UVM)	Description of What It Measures	Tracking & Reporting Approach including targets where applicable	Strategic Importance to REN Portfolio
Final Portfolio Therms	Total annual natural gas savings achieved across all programs.	Tracked via project completion data; reported quarterly. **Target: 210,000,000 gross therms (total 2028-2031)**	Essential for meeting GHG reduction and decarbonization goals.
Final Portfolio GHG from kWh	Avoided metric tons of CO2e resulting from electricity savings.	Calculated using standard CPUC emissions factors. **Target: 18,700 metric tons (CO2e of net lifecycle savings 2028-2031 total)**	Directly aligns with state climate mandates (SB 100).
Final Portfolio GHG from Therms	Avoided metric tons of CO2e resulting from natural gas savings.	Calculated using standard CPUC emissions factors. **Target: 55,000 metric tons (CO2e of net lifecycle savings 2028-2031 total)**	Provides Equitable health/climate benefits to DAC/HTR
Affordability: Lifecycle Bill Savings	Net bill savings (bill reductions minus bill increases)	CET export from claimed savings **Target: $238,000,000 (total 2028-2031)**	Enhances economic resilience of participants
Equity Participation	Participation by equity target populations	Equity target participants/total participants **Target: 75%**	Central goal and core value of all SoCalREN programs
Access	Participation throughout SoCalREN region	Total participants outside of LA County/ by total participants **Target: 50%**	Key priority in delivering equitable benefits
Agriculture Sector			
Lifecycle Bill Savings	Net bill savings (bill reductions minus bill increases)	CET export from claimed savings **Target: $70,000,000 (total 2028-2031)**	Enhances economic resilience of participants
Commercial Sector			
Lifecycle Bill Savings	Net bill savings (bill reductions minus bill increases)	CET export from claimed savings **Target: $23,000,000 (total 2028-2031)**	Enhances economic resilience of participants

Unique Value Metric (UVM)	Description of What It Measures	Tracking & Reporting Approach including targets where applicable	Strategic Importance to REN Portfolio
Public Sector			
Projects Constructed and Completed	The number of municipal/public facility retrofits finalized.	Monthly project status tracking in CRM. **Target: 600 (total 2028-2031)**	Provides visible, tangible projects that benefit community members
Estimated Gross Annual Bill Savings ($)	Total reduction in utility expenditures for public agencies.	Calculated based on engineering estimates and current tariffs.	Enhances economic resilience of participating jurisdictions, freeing up funds for other local priorities
Incentives Secured ($)	Total incentives leveraged for projects.	Tracked through application and reservation logs.	Demonstrates SoCalREN's value in navigating complex funding for the public sector.
Residential Sector			
Disadvantaged Multifamily Properties Served	Number of Multi-family buildings in DACs receiving upgrades	GIS mapping against CalEnviroScreen data. **Target: 300 (total 2028-2031)**	High-impact Equity metric for a traditionally underserved segment of the population.
Households Served	Total number of individual residential units impacted.	Participant enrollment and completion records.	Measures the breadth of SoCalREN's reach into the community.
Incentives Paid in DAC (Including Rural/HTR)	Dollar amount of direct financial support provided to equity priority areas.	Financial tracking of incentive disbursements.	Direct evidence of Equity investment in HTR/DAC.
Total Project Costs in DAC	Total investment (incentives + owner share) in DACs.	Aggregated project invoice data.	Measures the total economic stimulus provided to DACs..
Total Project Costs in Rural/HTR	Total capital investment in rural or hard-to-reach geographies.	Aggregated project invoice data filtered by HTR criteria.	Demonstrates success in reaching customers outside of major urban hubs.
WE&T Sector			
Student Internships	Number of individuals placed in paid or credit-bearing EE roles.	Program partner reports and payroll records.	Builds the pipeline for the future green economy (Market Support).

Unique Value Metric (UVM)	Description of What It Measures	Tracking & Reporting Approach including targets where applicable	Strategic Importance to REN Portfolio
Total Participants	Number of individuals completing training or workshops.	Registration and completion certificates.	Measures the scale of SoCalREN's workforce capacity-building efforts.
Opportunity Youth Career Plans	Number of high-barrier youth developing formal green career paths.	Case management records and career assessments.	Represents the highest level of Equity in workforce development.
Partners (e.g., Schools, Employers)	Number of active organizational collaborations.	Partnership agreements and MOU tracking.	Reflects the strength of the regional ecosystem for EE sustainability.

Strategies to Optimize Portfolio

TSB and Cost-Effectiveness

SoCalREN has developed an optimized portfolio designed to drive deep energy savings and maximize Total System Benefit (TSB). To enhance overall portfolio performance, SoCalREN identified efficiencies in project delivery and cross-referenced the number of forecasted projects against incentive levels, strengthening its Resource Acquisition portfolio, which is expected to remain consistently cost-effective over the next four-year period. The portfolio also continues to support the Commission's objectives for Regional Energy Networks to serve hard-to-reach customers and address gaps within existing energy efficiency portfolios.

SoCalREN's portfolio optimization approach incorporated both bottom-up and top-down analyses. Under the bottom-up approach, SoCalREN reviewed the measure mix for each continuing and newly authorized program to determine whether updates were needed, including both deemed values in the electronic Technical Reference Manual (eTRM) and custom values. This review accounted for changes since the most recent TUAL filing, such as net-to-gross ratios, effective useful life (EUL) and remaining useful life assumptions, load shapes, and other relevant factors. Programs were then optimized by measure mix to reflect these updates while maximizing achievable TSB, TRC, and energy savings within authorized budgets. SoCalREN subsequently evaluated impacts at the program, sector, and portfolio levels to identify the preferred approach, which is reflected in this Application.

Performance Management

SoCalREN uses a structured yet flexible approach to monitor program performance across its portfolio. Progress is tracked through regular monthly reporting and ongoing

communication between Los Angeles County program managers and their respective implementation teams. Performance metrics are monitored through monthly progress reports and quarterly dashboards. In addition, program teams report to Los Angeles County management on a quarterly basis to review program status and address any emerging challenges. This approach enables SoCalREN to identify potential underperformance early by comparing expected outcomes with actual participation, savings, and implementation progress. When issues arise, SoCalREN works directly with implementation teams to assess root causes and identify appropriate corrective actions.

Given the portfolio's mix of market support, equity, and resource acquisition programs, SoCalREN continuously evaluates whether each program is meeting its intended objectives for the target customer groups. If performance concerns are identified, SoCalREN may adjust outreach strategies, refine program design, reallocate resources, or increase oversight. This flexibility helps maintain momentum toward portfolio goals while ensuring programs remain responsive to customer and market needs.

When performance challenges cannot be resolved through program adjustments or enhanced support, SoCalREN retains the authority to rescope program strategies or tasks and, if necessary, discontinue non-performing programs.

Corrective Action Plans

When a program, segment, or customer group shows signs of falling behind expectations, SoCalREN takes early action to understand the issues and support the implementer in making necessary adjustments. Underperformance is first identified through regular reporting, trend analysis, and direct communication with implementers. Once issues are identified, SoCalREN works with the implementer to understand the root causes and define a path forward. This process is supported by a clear corrective action plan that outlines the steps required to return the program to expected performance levels. A corrective action plan typically includes:

- A clear description of the performance issues and factors contributing to them
- Specific corrective measures that the implementer will take
- Any adjustments to outreach strategies, timelines, or program processes
- Expected outcomes and the timeframe for achieving them
- A description of how progress will be monitored during the corrective period

During implementation of the corrective action plan, SoCalREN increases oversight through more frequent check-ins, detailed status updates, and targeted support. If performance does not improve within the agreed timeframe, SoCalREN may escalate its response. Escalation can include re-scoping work, reallocating resources, adjusting roles, or transitioning responsibilities to additional or alternative implementers. In instances where the program cannot be successfully corrected, SoCalREN retains the authority to restructure or discontinue the effort to protect overall portfolio outcomes.

Procurement Practices

SoCalREN relies on Los Angeles County's formal public solicitation and contracting procedures to procure all implementation services. This process provides a transparent and consistent framework for selecting qualified implementers, safeguarding public funds, and ensuring compliance with applicable local and state requirements. Each solicitation evaluates technical expertise, past performance, financial stability, and operational readiness, enabling SoCalREN to manage performance and compliance risks early in program development.

The County's contracting structure also supports strong financial and regulatory oversight throughout the term of each agreement. Clearly defined scopes of work, deliverables, reporting requirements, and performance standards allow SoCalREN to track expenditures, maintain accurate forecasts, and ensure contractor alignment with program objectives. As portfolio needs evolve, SoCalREN may adjust its procurement strategy through targeted solicitations addressing emerging customer needs or specific program priorities, allowing responsiveness to market conditions while maintaining accountability.

In addition to formal procurement controls, SoCalREN mitigates risk through close coordination with utilities, other Program Administrators, community partners, and regional stakeholders. These relationships help align program offerings, reduce duplication, and provide clear referral pathways for customers whose needs extend beyond SoCalREN's portfolio. Collectively, this combination of rigorous public contracting standards and active cross-agency coordination supports reliable implementation, responsible use of public funds, and strong alignment with regional energy efficiency goals.

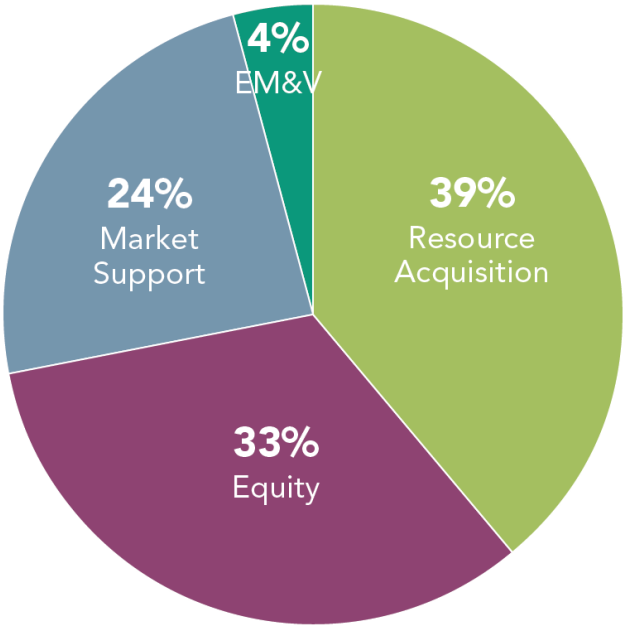
CHAPTER 6: SEGMENTATION AND SECTOR STRATEGY

Chapter 6 details the strategy and organization of the 2028–2031 portfolio. The framework is designed to align specific program delivery with the unique requirements of each sector while ensuring a balanced distribution across the portfolio segments. Sub-sections below outline the budget rationale and the strategic objectives for this distribution over the current and long-term planning periods.

Portfolio Segmentation Strategy

SoCalREN's Portfolio Plan is designed to bridge California's climate goals with the practical needs of Southern California's most vulnerable communities. The four-year strategy focuses on stabilizing the marketplace by consolidating programs to improve administrative efficiency, expanding technical assistance for public agencies, and launching targeted pathways to support decarbonization. Budget allocation decisions are guided by the objective of optimizing TSB while maintaining a balanced portfolio across the Resource Acquisition, Market Support, and Equity segments. Allocation criteria prioritize established Resource Acquisition programs capable of meeting or exceeding a 1.0 TRC, while allowing newer Resource Acquisition initiatives sufficient flexibility to achieve the 1.0 TRC threshold within the four-year Business Plan period. This approach ensures ratepayer funds are tied to clear accountability metrics and measurable outcomes, while directly addressing financial and technical barriers in high-need sectors.

Figure 4. SoCalREN 2028–2031 Budget Allocation by Segment



Looking ahead across the full eight-year Business Plan horizon, SoCalREN's strategy evolves from initial capacity building toward a more integrated, scaled delivery model. While the first four years emphasize removing entry barriers through direct installation services and workforce training, the subsequent four years leverage established delivery infrastructure to support deeper, multi-measure retrofits across all sectors. This long-term approach integrates green financing and external funding sources to reduce reliance on ratepayer funds, creating a scalable foundation for sustained energy savings and continued adoption of efficient technologies through 2035.

Resource Acquisition

SoCalREN's proposed Resource Acquisition strategy focuses on converting strategic engagement into verified energy savings through differentiated delivery pathways. By aligning program interventions with the technical and financial capacities of each sector, SoCalREN seeks to maximize TSB while ensuring equitable access for HTR participants and DAC. To improve administrative efficiency and simplify participation, SoCalREN has planned the consolidation of its public sector offerings. By unifying initiatives that previously served public single-family and small-building facilities into a single delivery model, SoCalREN aims to reduce operational complexity and streamline the customer

journey for public agencies. This consolidation is intended to prioritize ratepayer funds for direct implementation and measurable savings while maintaining compliance with performance tracking and regulatory requirements.

The upcoming cycle also includes two new programs designed to address specific market gaps. The proposed Commercial Resiliency Program provides a pathway for small businesses in high fire-risk regions to implement EE measures that also support building durability and indoor air quality. In addition, SoCalREN intends to introduce the Residential Resiliency Program, which establishes a comprehensive retrofit model for residential customers by bundling efficiency, electrification, and resiliency measures to support long-term energy reduction goals and state climate objectives.

Agricultural Sector

The Agriculture Retrofit Program supports farms that can take on more complex or higher cost upgrades. These customers often need engineering guidance to pursue both deemed and custom measures such as improved ventilation, irrigation pump, pump VSDs, greenhouse improvements, and boiler adjacent or process related efficiency improvements that qualify as exempt, non-combustion measures under CPUC gas phaseout rules. The program primarily serves small and medium farms in DAC and HTR areas that are able to move forward with rebate supported equipment replacements when technical assistance is available.

Commercial Sector

SoCalREN's RA strategy for the Commercial sector converts strategic community outreach into measurable energy savings. The Commercial Resiliency program functions as a pathway tailored for businesses in high-fire-threat districts or those recently impacted by wildfire. This program provides incentives for resilience-focused upgrades that improve building durability and mitigate risks associated with extreme weather and PSPS events. By providing targeted financial offsets for high-efficiency measures, the program enables businesses to invest in facility stability and improved indoor air quality, ensuring long-term economic resilience in vulnerable regions.

Public Sector

SoCalREN applies a differentiated Resource Acquisition strategy across its public sector portfolio, aligning delivery pathways with public agency characteristics—such as agency size, facility type, system complexity, and internal capacity—to maximize cost-effective, persistent savings while expanding access for underserved communities. SoCalREN intentionally targets NMEC, deemed, and custom measurement pathways to the contexts in which each approach most effectively addresses identified market and organizational barriers.

Cities, counties, tribes, school districts, community colleges, public universities, special districts, federal and state agencies, and water and wastewater agencies typically manage diverse facility portfolios and energy-intensive systems for which deemed-only

measures do not support comprehensive energy savings projects. SoCalREN uses NMEC-based approaches, particularly site-level NMEC, for whole-facility projects involving multiple concurrent measures where aggregated performance more accurately captures net savings. Site-level NMEC is complemented by deemed and custom measurement pathways, applied through the Streamlined Savings Pathway, for discrete capital upgrades such as HVAC, lighting, controls, pumps, and motors when total savings do not meet NMEC minimum thresholds.

Through the consolidated Resource Acquisition program, the Streamlined Savings Pathway, SoCalREN is able to match the appropriate incentive and measurement strategy to each public agency's context and needs, support deeper and more comprehensive projects, and ensure that agencies of all sizes and capacities can meaningfully participate in California's energy efficiency programs while advancing the State's climate goals.

Residential Sector

SoCalREN's Residential sector Resource Acquisition strategy applies two distinct approaches to address the structural and financial barriers present in multifamily and single-family housing. By aligning incentive structures with property types and ownership models, the portfolio maximizes energy savings while prioritizing deep retrofits in DACs and HTR areas.

The Multifamily Program focuses on whole-building and common-area retrofit projects that bundle multiple measures to achieve the most cost-effective savings. To ensure meaningful project impacts, the program requires a minimum of three measures for whole-building projects and two measures for common-area-only projects. Using a combination of deemed and custom measurement pathways, the program targets high-impact end uses such as HVAC systems, domestic hot water, building envelope improvements, lighting and controls, and pool or spa equipment. To drive participation in equity-priority communities, incentives typically cover approximately 60 percent of eligible project costs, with higher coverage available for projects serving DAC properties. This approach helps address the financial barriers that often prevent multifamily owners from pursuing comprehensive energy upgrades. SoCalREN expects to complete approximately 240 multifamily projects serving more than 105,000 units during the four-year portfolio period.

The Residential Resiliency Program provides a dedicated pathway for comprehensive home retrofits and is designed to improve cost-effectiveness over time. While initial participation reflects the higher upfront investment typically required for single-family homes, the program is structured to achieve a TRC of 1.0 by the fourth year as participation increases and delivery efficiencies are realized. The program emphasizes bundled energy efficiency and electrification measures to function as a meaningful resource for energy savings and leverages capital to support resiliency upgrades that improve household energy affordability. SoCalREN maintains compliance with state

savings attribution requirements while enabling single-family households to contribute meaningfully to California's climate goals. SoCalREN intends to serve approximately 524 single-family homes during the four-year portfolio period.

Market Support

SoCalREN's strategy for the Market Support segment is built on the premise that long-term resource acquisition and equity goals cannot be met without all necessary support activities that drive initial project interest into actual completed projects. By focusing on intervention strategies like technical assistance, project management support, assessments, financial assistance identification, workforce training, and community-based outreach, SoCalREN aims to systematically remove non-financial barriers for HTR and underserved populations. The strategy aligns with the Commission's objectives by bridging the gap between customer awareness and project implementation. SoCalREN is proposing only one new market support program, within the Cross-Cutting WE&T sector.

Agricultural

SoCalREN's Market Support activities in the Agricultural sector focus on helping small and rural farms better understand their energy use and build confidence in pursuing energy upgrades. Through tailored technical assistance, on-site education, and support navigating available resources, these services increase familiarity with efficient technologies and prepare customers for deeper participation in future retrofit and financing pathways. Building on successful approaches used in the public sector, the Agricultural Project Delivery Program provides one-on-one support throughout the life of an energy efficiency project, helping overcome limited on-site staff capacity and supporting successful project completion.

Commercial

For small and medium HTR businesses, Market Support emphasizes hands-on guidance that simplifies a historically complex landscape. Through trusted, in-community advisors and plain-language support, businesses gain clarity on cost-saving opportunities, resilience needs, and the retrofit process. This groundwork nurtures demand, builds trust in EE programs, and positions SMBs for successful participation in RA and/or DI offerings.

Public

Market Support in the Public sector is designed to help agencies—particularly those with limited staff capacity, in-house technical expertise, or budget flexibility—better understand their energy profiles and the value of pursuing energy upgrades. Through benchmarking, tailored audits, project scoping, project management support, identification of financial assistance opportunities, and long-term planning, public agencies gain the foundational knowledge and readiness needed to develop multi-year pipelines of Resource Acquisition and load-flexibility projects. SoCalREN's longest-standing and most proven success, the Public Sector Energy Efficiency Project Delivery Program, serves as a critical catalyst for the portfolio's public sector Resource Acquisition and Equity program pipelines.

Residential

In the Residential sector, Market Support focuses on raising awareness of energy efficiency benefits at the household level through education and in-home kits. These services help build long-term demand among both multifamily and single-family properties by engaging residents directly on the benefits of energy upgrades. Outreach emphasizes how efficiency improvements can reduce household emissions and community-level impacts while also lowering energy burden. Through SoCalREN's Kits 4 Kids residential Market Support program, households across both multifamily and single-family subsectors are directly reached, enabling broad engagement and helping catalyze participation in energy efficiency programs.

Cross-Cutting Community-Based

Community-Based Market Support builds localized trust and insight by integrating CBOs, Tribal partners, and community leaders directly into program design and engagement. This approach ensures offerings are culturally relevant, easy to navigate, and responsive to local needs. By strengthening community ownership and expanding participation pipelines, these activities help ensure resource acquisition strategies reach priority communities more effectively.

Cross-Cutting Finance

Finance-related Market Support activities are designed to reduce non-financial barriers associated with navigating incentives, loans, and layered funding. SoCalREN's AG Finance program embeds financing guidance directly into technical assistance, helping customers identify, qualify for, and assemble funding packages. In addition, SoCalREN's long-standing RLF program provides short-term, no-cost construction financing for public agencies leveraging external funding sources such as DOE grants. Together, these efforts help overcome upfront cost and process barriers that often prevent small public agencies and farms from moving forward with energy efficiency projects.

Cross-Cutting WE&T

Workforce activities under Market Support focus on building a stable and diverse contractor and technician base capable of meeting future program demand. Through certification pathways, readiness training, and targeted support for small and diverse contractors, these efforts strengthen regional delivery capacity and help ensure the broader market is prepared to install the energy efficiency, resilience, and electrification measures needed across sectors.

The table below provides a summary of SoCalREN's strategies and desired outcomes for the Market Support segment programs offered in its 2028-2031 Portfolio. Note that Financing strategies are delivered within the Agricultural and Public sectors and are not listed separately.

Table 10. Alignment with Market Support Sub-Objectives

Market Support Sub-Objective 1: Demand. Build and maintain customer demand for energy-efficient products and services through targeted education, awareness, and outreach.	
Strategies	Outcomes
• Provide customers with benchmarking, energy audits, and personalized savings analyses through Ag-PDP. • Deliver customer education on energy/water co-benefits, and equipment performance.	• Farmers gain clarity on energy use and build confidence in EE decisions, driving increase project pursuit. • Improved awareness leads to increased adoption, especially for lesser-known technologies. • Farmers successfully navigate program participation and identify utility cost-saving opportunities.
• Provide dedicated Energy Advisors as a single point of contact to coordinate services and minimize complexity for HTR businesses. • Use an in-community approach to build trust and participation in LILA/ DAC areas	• Business owners successfully navigate program participation and identify utility cost-saving opportunities. • Increased access to EE benefits for historically marginalized communities.
• Provide public agencies with benchmarking, energy-use analysis, facility audits, and tailored technical assistance. • Implement sustained engagement models, including dedicated project management, resilience planning, and long-term capital planning. • Prioritize outreach and simplified program navigation for underserved and HTR public agencies.	• Agency staff gain clarity on consumption patterns, building the confidence and readiness needed to pursue EE investments. • Agencies move beyond one-time participation toward strategic, multi-year energy planning and deeper project pipelines. • Increased participation from resource-limited entities, ensuring equitable access to no-cost technical benefits.
• Advance workforce education and early career exposure strategies that build awareness of energy efficiency careers, project pathways, and program opportunities among students, workforce	• A more informed and prepared workforce and institutional landscape that supports sustained demand for energy efficiency projects, enables informed energy management and investment decisions,

participants, public agencies, and community partners.	and contributes to deeper and longer-term energy savings across public, agricultural, and community-serving markets.

Market Support Sub-Objective 2: Supply. Strengthen supply chains and workforce capabilities to ensure that energy-efficient technologies and skilled services are readily available.

Strategy	Outcome
• Collaborate on training through Ag WE&T for contractors on agricultural systems, DI protocols, and specialty measures. • Develop the Agriculture Trade Ally Network to support DI and Retrofit installation capacity.	• Expanded pool of in-community qualified Ag contractors able to install energy efficiency equipment and participate in RA and Equity programs. • Improved geographic coverage and faster project timelines for rural and HTR customers.
• Strengthen trade ally participation by offering predictable project pipelines and standardized scopes of work. • Coordinate with WE&T programs to align curricula with upcoming project pipelines.	• A stable, capable pool of contractors ready to deliver EE, DER, and load flexibility projects. • An enhanced regional talent pipeline and improved contractor readiness to implement SoCalREN public sector projects.
• Coordinate with Non-Trade WE&T programs to increase access and capacity in each community served. • Select and train vendors and in-community engagement teams to serve high fire threat and underserved regions.	• An expanded pool of qualified contractors and support staff located throughout the territory ready to deliver projects. • Reduced workforce capacity constraints in rural and high-risk areas.
• Develop coordinated workforce and contractor pipelines through education, certifications, hands-on training, and technical assistance that align skills development with current and emerging energy efficiency market needs.	• An expanded and diversified pool of job-ready workers and qualified contractors capable of supporting energy efficiency implementation, reducing labor and capacity constraints, and enabling greater participation in energy efficiency programs and projects.

Market Support Sub-Objective 3: Partnerships. Foster strategic collaborations with local governments, community organizations, and advocates to enhance program delivery.

Strategy	Outcome
• Coordinate with regional partners, CBOs, farm bureaus, agriculture associations, water districts, and agricultural engineering firms. • Integrate offerings with IOU programs via formal JCM and ongoing bilateral coordination.	• Stronger outreach pipelines, improved access to rural customers, and increased customer understanding of energy efficiency opportunities. • Reduced duplication, clearer customer referrals, and optimized program alignment.
• Partner with in-community non-profits, mission-aligned organizations, and local governments to deliver services.	• Increased program credibility and visibility through trusted community-driven communication channels.

• Leverage established community relationships to reach HTR corner stores and small businesses.	• Seamless coordination of services across various programs.
• Leverage established relationships with local, Tribal, and regional governments to engage agencies through trusted peer networks. • Coordinate with utilities, RENs, and other administrators to align incentives and project pathways via the JCM process.	• Increased program credibility and visibility through culturally relevant, community-driven communication channels. • Reduced administrative burden and providing agencies with a seamless, complementary support experience.
• Coordinate across education, workforce, and industry partners to ensure workforce training and support services remain aligned with evolving energy efficiency market needs.	• Improved coordination between training providers and employers strengthens pipelines, supports smoother transitions into employment and contracting, and reinforces market readiness to deliver EE projects across the portfolio.

Market Support Sub-Objective 4: Innovation and Accessibility. Accelerate the adoption of new technologies and inclusive service models to drive market value and ensure equitable access.

Strategy	Outcome
• Promote adoption of emerging Ag technologies. • Provide tailored technical assistance and on-site support, with in-language services as needed or requested.	• Greater long-term cost savings through adoption of high-impact measures. • Accessibility increases participation rates across rural and linguistically diverse communities.
• Pair energy efficiency with resilience measures like envelope hardening, HVAC filtration, and integrated DERs. • Offer no-cost direct installation of refrigeration and other building systems to remove technical and cost barriers.	• Increased economic and structural resilience for businesses in fire-threat and extreme weather areas. • Improved access to healthy food choices in food deserts through efficient refrigeration.
• Pilot innovative service models, including integrated EE-DER planning, load flexibility, and resilience-focused development. • Provide no-cost, end-to-end technical assistance and develop case studies highlighting successful implementation best practices.	• Reduced perceived risk and increased agency confidence in adopting emerging technologies and novel service models. • Removal of technical and administrative barriers, enabling resource-constrained agencies to replicate high-impact projects.
• Apply coordinated and innovative delivery models that simplify access to workforce training, certifications, and support services, particularly for disadvantaged and hard-to-reach populations.	• Reduced barriers to entry and improved navigation of the EE ecosystem, resulting in more equitable participation, stronger workforce retention, and increased readiness of workers and contractors to support projects.

Market Support Sub-Objective 5: Access to Capital. Improve the affordability of EE projects through equitable financing options and the coordination of capital resources.

Strategy	Outcome

• Integrate financing directly into PDP project development: support customers with loan referrals (OBF, ELF, GoGreen, USDA, CDFA), application assistance, and grant preparation through Ag Finance.	• Addresses critical capital barriers, enabling more farms to implement projects that otherwise would not be completed.
• Integrate OBF and no-cost support to reduce the total utility cost burden for HTR businesses. • Provide technical assistance to help businesses navigate and qualify for EE funding and incentives.	• Businesses overcome upfront cost barriers and capital limitations that previously prevented participation. • Significant investment is funneled into ESJ communities, supporting economic opportunity.
• Identify and present all available funding/financing pathways (e.g., OBF, grants) during initial project scoping and reporting. • Integrate application support directly into the TA process to align funding and implementation timelines.	• Agencies overcome upfront cost barriers and fiscal uncertainty, allowing projects to proceed within complex budget cycles. • Faster project delivery and increased leverage of external, non-ratepayer capital to maximize project scale.
• Support workforce participants, small and diverse contractors, and public agencies by improving readiness for capital-supported EE projects through coordination with financing, procurement, and business support partners, including guidance related to licensing, bonding, insurance, and compliance requirements.	• Reduced financial and administrative barriers to market entry enable broader participation in energy efficiency programs and projects, increase the pool of qualified implementers, and support successful delivery of energy efficiency measures across targeted markets.

Equity

Agriculture

- Rural HTR Ag DI

Commercial

- HTR CDI

Public

- DER DAC
- Rural HTR Public Agency DI
- UC SEM

Residential

- Rural HTR MF DI

Cross-Cutting Community-Based Design

- Tribal Resiliency Program

Cross-Cutting Finance

- Revolving Load Fund

Cross-Cutting WE&T

- ACES
- CPM Pathway
- GPC

SoCalREN's proposed strategy for the Equity segment is designed to ensure that EE benefits are accessible to populations facing significant structural and financial barriers.

Agricultural Sector

The proposed equity strategy for the Agriculture sector centers on the Rural HTR Agriculture Direct Install program. This initiative delivers targeted, no-cost energy efficiency support to agricultural customers in remote and underserved areas who often lack the capital or contractor access needed to participate in standard rebate programs. By providing turnkey installation of measures such as HVAC, lighting, and

water-heating upgrades, SoCalREN seeks to overcome the geographic and financial barriers that have historically excluded small and rural farms from EE benefits. This approach is designed to integrate energy efficiency as a standard business practice in these communities while also promoting water-energy nexus savings.

Commercial Sector

In the Commercial sector, SoCalREN proposes a multi-layered equity approach targeting small and medium-sized businesses in DACs, HTR and LILA areas, and Tribal nations. The HTR Commercial DI program is designed to serve exclusively HTR customers, prioritizing immediate utility bill savings through a streamlined process that removes the need for upfront capital. These efforts are supported by the HTR BEA, who provides dedicated, in-language coaching to build trust and help underserved business owners navigate complex program offerings.

Public

The Public sector equity strategy focuses on building the capacity of agencies that serve underserved populations and lack internal resources to pursue complex energy planning and long-term sustainability goals. A central element of this strategy is the Underserved Communities SEM program, which provides a multi-year framework for resource-constrained agencies to institutionalize energy management practices and strengthen organizational resilience. To address upfront capital barriers, SoCalREN utilizes the Revolving Loan Fund to provide zero-percent interest financing, enabling public agencies in DACs to implement projects that would otherwise face funding constraints. Together, these initiatives enhance local infrastructure, support community-driven climate action, and ensure that even small Tribal or rural governments can meaningfully participate in the State's climate goals.

SEM is targeted to institutions where operational practices and staff engagement can deliver sustained system-level savings. K–12 school districts, community colleges, and water and wastewater facilities serving underserved and HTR communities often operate continuously, support multiple end uses, and have limited internal capacity to manage energy proactively. SEM provides a structured, multi-year framework to build internal capacity, identify low- and no-cost operational improvements, and develop pipelines of future capital projects that deliver persistent, portfolio-level savings.

The Rural HTR DI program targets small, rural, and HTR public agencies that typically operate small facilities with limited energy savings potential, staff capacity, and access to capital. This approach removes upfront cost and administrative barriers while enabling immediate implementation of EE measures, ensuring these agencies can benefit from energy efficiency opportunities that would otherwise remain inaccessible.

Residential

In the Residential sector, the proposed equity strategy prioritizes no-cost, turnkey solutions for high-need small multifamily properties. The Small HTR Multifamily Direct

Install program serves as the primary vehicle for reaching rural and small HTR multifamily properties that have historically been underserved by IOU programs. This strategy reduces financial risk for property owners while ensuring that moderate-income tenants benefit from improved comfort, indoor air quality, and reduced utility bills.

Cross-Cutting Community-Based

The proposed equity strategy for the Community-Based sector centers on building trust, reducing participation barriers, and ensuring that program design and delivery reflect the needs and priorities of the communities served. Through partnerships with community-based organizations and Tribal entities, SoCalREN advances a community-driven approach that prioritizes culturally competent outreach, in-language services, and locally grounded engagement. These partnerships are critical for reaching DAC, HTR, Tribal, and rural populations that have historically experienced limited access to energy efficiency programs due to structural inequities, language barriers, or distrust of institutional systems.

Cross-Cutting Finance

The proposed equity strategy for the Cross-Cutting Finance sector focuses on reducing financial and procedural barriers that prevent underserved customers from advancing energy efficiency projects. Many DAC, HTR, Tribal, rural, and small public agency customers face challenges navigating complex incentive structures, financing requirements, and layered funding opportunities, even when projects are technically viable. Through embedded financing support, SoCalREN integrates capital planning, loan navigation, and funding coordination directly into technical assistance, helping customers identify, qualify for, and assemble complete project funding packages.

Cross-Cutting WE&T

Equity within the WE&T sector is advanced through programs that create high-road career pathways for historically marginalized individuals. The Green Path Careers program provides education, certifications, and paid work experience for justice-impacted youth, individuals experiencing homelessness, and residents of DACs. To support long-term employment outcomes, SoCalREN also proposes the E-Contractor Academy, which offers technical and business training for small, minority- and women-owned business enterprises. Together, these programs help build a diverse, local workforce prepared to deliver the next generation of energy efficiency projects within their own communities.

Codes and Standards

SoCalREN does not currently propose or administer programs within the Codes & Standards (C&S) segment.

Portfolio Sector Strategy

The following narratives describe the high-level strategies, key target populations, and primary end-uses for each sector in the SoCalREN portfolio. Following the sector descriptions is a summary of budget allocations and projected impacts.

Agricultural Sector

The SoCalREN Agricultural Sector delivers comprehensive energy efficiency services tailored to small- and medium-sized agricultural operations, with a strong emphasis on rural, underserved, and disadvantaged farms. Programs support a wide range of agricultural subsegments—including field and seed crops, tree crops, dairies, greenhouses, indoor horticulture, poultry and livestock operations, wineries, and others. The sector strategy focuses on reducing both energy and water use, improving affordability, and integrating energy management into standard agricultural business practices.

The strategy prioritizes equitable access, recognizing that many small agricultural operations lack the financial resources, engineering capacity, or staffing needed to navigate incentives or implement upgrades. By combining technical assistance (Ag-PDP), no-cost direct installs (Ag-HTR DI), incentives for deep retrofits and equipment upgrades (Ag-Retrofit), and capital access support (Ag-Finance), SoCalREN provides comprehensive, end-to-end support that addresses market gaps not served by IOUs or third-party programs. This approach strengthens regional resilience by expanding cost-effective energy projects while promoting long-term savings and operational improvements.

Commercial Sector

SoCalREN's Commercial Sector strategy is designed to bridge the investment gap for HTR small- and medium-sized commercial facilities that have historically been underserved by IOU programs. By dedicating its commercial offerings to HTR participants, SoCalREN prioritizes communities facing overlapping equity and resilience challenges, including those in high fire-threat districts and regions recovering from wildfire impacts through the proposed Commercial Resiliency Program. Through the Commercial BEA program, SMB owners receive the technical assistance and guidance needed to successfully implement EE projects at their facilities.

The sector emphasizes high-impact end uses through the HTR DI program, including water heating, refrigeration, HVAC, lighting, and plug loads. These upgrades align with CPUC priorities related to TSB, permanent load shifting, and beneficial electrification. An in-community, place-based delivery model integrates technical advisor services with WE&T, pairing hands-on education with real-world implementation. This approach strengthens regional labor pipelines, reduces entry barriers for SMBs, and ensures that

EE installations are supported by complementary activities that promote market engagement and access to high-road jobs.

Public Sector

SoCalREN's Public Sector portfolio supports public agencies in reducing energy use, lowering operating costs, and advancing statewide climate, resilience, and equity goals. The portfolio serves a broad range of agencies—including cities, counties, Tribal governments, K–12 school districts, community colleges, water and wastewater agencies, state agencies, and special districts—and is designed to reflect the diversity and complexity of California's public sector. With a deliberate focus on underserved, disadvantaged, and HTR communities, SoCalREN expands agency capacity by providing staffing support, technical expertise, and long-term energy management assistance.

The portfolio includes a dedicated Tribal Program that enables participating Tribes to design and implement energy initiatives aligned with sovereign priorities, cultural values, and community-defined goals. Programs address a wide range of end uses across public facilities and infrastructure, including HVAC, water heating, lighting, controls, pumps and motors, water and wastewater treatment systems, and operational savings achieved through SEM.

By integrating Resource Acquisition, Market Support, and Equity objectives, the Public Sector portfolio builds durable energy management capacity, delivers persistent energy and greenhouse gas reductions, and enables public agencies to lead by example in creating efficient and resilient public infrastructure.

Residential Sector

SoCalREN's Residential Sector portfolio is designed to reduce energy use and lower utility costs while advancing statewide climate, resilience, and equity goals. Target populations include renters and owners in single-family homes and multifamily properties, with a strong focus on underserved, DAC, and HTR households that often lack the technical expertise or capital needed to pursue energy improvements. The portfolio accounts for common residential barriers, such as split incentives in rental housing and high upfront costs for comprehensive retrofits.

Programs target a wide range of residential end uses, including HVAC, water heating, lighting, controls, and building envelope measures. Offerings are structured to meet participants where they are, beginning with education and low-cost kits and progressing to direct-install measures, capital projects, and whole-building delivery for more complex multifamily systems. While RA programs emphasize bundled measures to improve cost-effectiveness over time, equity-focused offerings such as the HTR DI Small Multifamily program provide no-cost, turnkey installations to ensure access for households facing resource constraints. Through this integrated approach, SoCalREN

delivers persistent energy and greenhouse gas reductions while enabling vulnerable populations to participate fully in California's clean energy transition.

Cross-Cutting Sector: Community-Based Design

The Community-Based sector plays a critical role in advancing equitable program access by grounding SoCalREN's portfolio in trusted, place-based relationships. Through partnerships with community-based organizations and Tribal entities, SoCalREN delivers culturally competent, in-language outreach and engagement tailored to the needs of DAC, HTR, rural, and Tribal communities. These partners support outreach, enrollment, and navigation of Market Support and Resource Acquisition pathways, helping to reduce participation barriers related to language, trust, and access to information.

Community-based delivery also informs program design through co-creation and feedback, ensuring that offerings reflect community priorities and lived experience. By embedding community partners throughout the delivery process, SoCalREN strengthens local capacity, improves program effectiveness, and ensures that energy efficiency investments translate into tangible benefits such as reduced energy burden, improved health and comfort, workforce opportunities, and enhanced community resilience.

Cross-Cutting Sector: Finance

To maximize efficiencies and deliver increased ratepayer benefits, SoCalREN's two Finance sector programs, Ag-Finance and the Revolving Loan Program, are delivered concurrently with the other programs serving the Agricultural and Public sectors. Please see those sectors for details and information regarding SoCalREN's finance offerings.

Cross-Cutting Sector: Workforce Education & Training

The WE&T sector supports the development of a skilled, diverse, and job-ready workforce necessary to advance energy efficiency and clean energy goals across the SoCalREN territory. Programs are designed to engage participants at all stages of the workforce pipeline, including middle school and high school students, transition-age youth and young adults, and small business contractors.

The sector prioritizes disadvantaged communities, small and diverse businesses, and individuals facing barriers to entry into the EE labor market, while also strengthening contractor and employer capacity to meet growing demand.

Through a portfolio of Market Support strategies, WE&T programs expand access to training, certifications, business development resources, and employment opportunities. By aligning workforce development efforts with regional EE priorities and industry needs, the WE&T sector helps reduce labor shortages, improve market readiness, and support equitable participation in the clean energy economy.

Budget Distribution by Sector

The sector-level budget allocations presented below reflect SoCalREN's strategic approach to maximizing ratepayer value while advancing statewide objectives related to cost-effectiveness, equity, resilience, and long-term market transformation. Budget decisions were developed to balance near-term delivery of measurable energy savings with sustained investment in market support, workforce capacity, and community-based engagement needed to support deeper and more durable outcomes over time.

Below, Figure 5 provides a breakdown of the proposed 2028–2031 budget by sector, Figure 6 provides a breakdown of the proposed 2032–2035 budget by sector, and Figure 7 provides a high-level view of the entire eight-year Strategic Business Plan period. Following the figures, Table 11 provides a detailed look at the four-year and eight-year budgets by sector.

Figure 5. 2028–2031 Budget by Sector

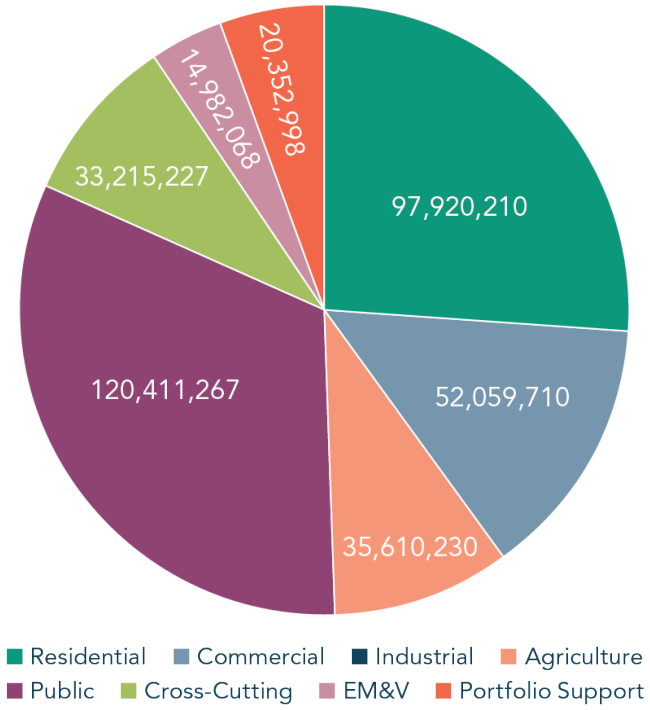


Figure 6. 2032–2035 Budget by Sector

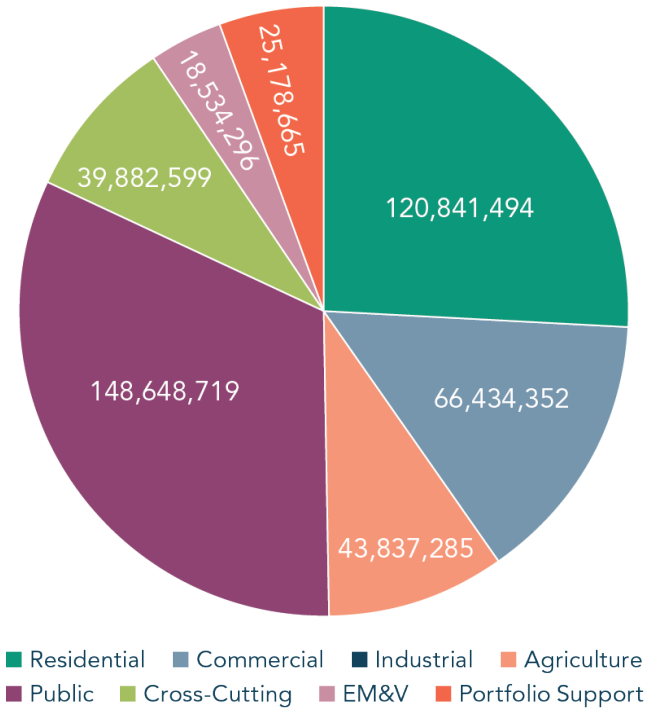


Figure 7. 2028–2035 Budget by Sector

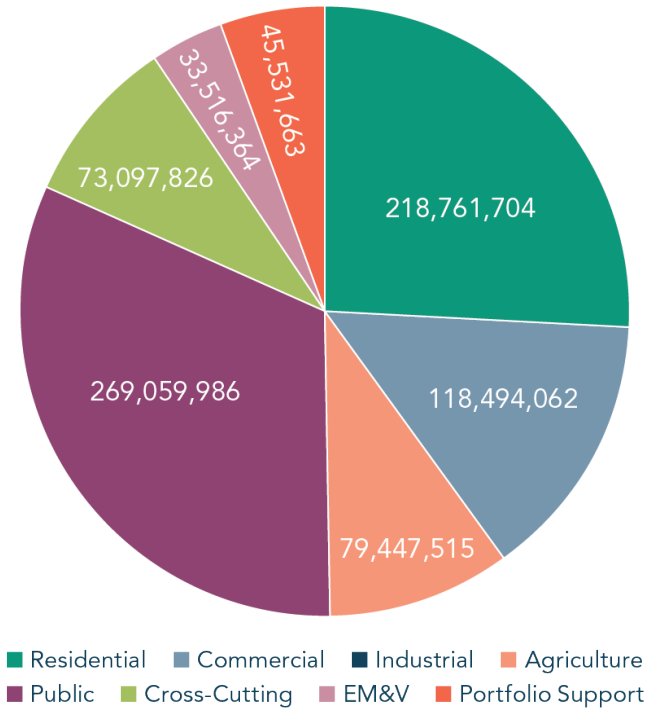


Table 11. Budget Distribution by Sector

Budget	Residential	Comm.	Ind.	Ag	Public	Cross-Cutting*	EM&V	Portfolio Support	Total Budget
2028	$20,942,875	$10,077,831	N/A	$7,516,888	$25,979,662	$7,405,814	$3,176,602	$4,315,384	$79,415,056
2029	$23,349,663	$12,685,615	N/A	$8,581,078	$28,552,628	$7,969,603	$3,583,621	$4,868,314	$89,590,522
2030	$25,584,579	$13,879,170	N/A	$9,339,160	$31,382,798	$8,584,451	$3,920,682	$5,326,211	$98,017,052
2031	$28,043,093	$15,417,094	N/A	$10,173,104	$34,496,179	$9,255,359	$4,301,163	$5,843,089	$107,529,080
Total 4-Year	**$97,920,210**	**$52,059,710**	**N/A**	**$35,610,230**	**$120,411,267**	**$33,215,227**	**$14,982,068**	**$20,352,998**	**$374,551,710**
2032	$28,884,385	$15,879,607	N/A	$10,478,297	$35,531,064	$9,533,020	$4,430,198	$6,018,382	$110,754,952
2033	$29,750,917	$16,355,995	N/A	$10,792,646	$36,596,996	$9,819,010	$4,563,104	$6,198,933	$114,077,601
2034	$30,643,444	$16,846,675	N/A	$11,116,425	$37,694,906	$10,113,581	$4,699,997	$6,384,901	$117,499,929
2035	$31,562,747	$17,352,075	N/A	$11,449,918	v38,825,753	$10,416,988	$4,840,997	$6,576,449	$121,024,927
Total 4-Year	**$120,841,494**	**$66,434,352**	**N/A**	**$43,837,285**	**$148,648,719**	**$39,882,599**	**$18,534,296**	**$25,178,665**	**$463,357,409**
Cumulative Total	**$218,761,704**	**$118,494,062**	**N/A**	**$79,447,515**	**$269,059,986**	**$73,097,826**	**$33,516,364**	**$45,531,663**	**$837,909,119**

*Excluding EM&V

CHAPTER 7: PORTFOLIO COORDINATION

SoCalREN's portfolio is designed to operate within a highly interconnected program environment, requiring strong coordination both across its own internal programs and with other Program Administrators. This chapter outlines how SoCalREN maintains alignment across sectors and program types, ensures seamless customer pathways, and actively manages potential overlap with other PAs.

Through structured coordination processes, regular communication channels, and clear program delineation, SoCalREN delivers a unified customer experience while supporting statewide energy efficiency and decarbonization objectives. The following sections describe how SoCalREN coordinates internally, collaborates with other PAs, addresses overlap, and integrates with other statewide, regional, and local demand-side initiatives.

Coordination within the Same PA

SoCalREN's portfolio is organized to ensure strong coordination across programs, sectors, and segments. SoCalREN's internal coordination emphasizes three core elements: sector-level alignment, program-specific collaboration, and recurring cross-portfolio meetings.

Sector- and Segment-Level Coordination

SoCalREN establishes clear pathways that connect planning, technical assistance, direct installation, and resource acquisition activities to ensure customers can move efficiently from initial engagement to implementation.

- In the **Agriculture** sector, the Ag-PDP technical assistance services and Ag Retrofit incentives are coordinated closely with the Rural Hard-to-Reach (HTR) Direct Install and Finance Assistance offerings. This integration helps agricultural customers receive comprehensive support—from early project scoping to financing strategies and final installation.
- For **Commercial** HTR customers, SoCalREN links its Business Energy Advisor services with HTR Commercial Direct Install activities and bill relief in low-income and disadvantaged communities. This alignment allows commercial customers who may face participation barriers to access multiple forms of technical and financial support through coordinated touchpoints.
- In the **Public** Sector, SoCalREN connects its PDP with the DER DAC initiative, ERAP, and the SSP to create a structured pipeline that moves agencies from planning to implementation. This approach enables public agencies to efficiently leverage custom, deemed, or NMEC pathways, as appropriate, supported by technical

assistance and implementation services that are aligned across programs and enhance overall program coordination.

- **Cross-cutting** programs such as Workforce Education & Training (WE&T) also play a central role. The E-Contractor Academy, Green Path Careers (GPC), ACES, and the WE&T Hub are coordinated to strengthen the local workforce pipeline. These programs support contractors, jobseekers, and public agency staff, ensuring that the broader ecosystem of market participants is prepared to support energy efficiency activities across all sectors.

Program-Specific Coordination

Individual programs within the portfolio align their scopes, marketing approaches, and customer service processes to ensure consistency and reduce confusion. Technical assistance programs share customer information and progress updates with resource acquisition and direct install teams to maintain continuity as customers move from one stage to the next. Engineering, data, and outreach staff work together to ensure that program design and delivery are aligned and that customers receive the right level of support based on their needs and eligibility.

Recurring Cross-Portfolio Coordination Meetings

SoCalREN maintains a robust schedule of internal quarterly coordination meetings to ensure continued alignment across sectors and programs. Portfolio managers, program leads, engineering teams, outreach staff, and regulatory staff participate in quarterly cross-portfolio meetings to review progress toward goals, discuss pipeline development, address operational challenges, and align upcoming activities. These meetings also provide a forum to standardize customer messaging, share lessons learned, and coordinate improvements to program processes.

In addition to quarterly meetings, sector teams—including Los Angeles County program managers and their implementation teams—meet on a recurring monthly basis to coordinate program activities, review customer progress, and collaborate on outreach strategies. These ongoing coordination practices enable SoCalREN to maintain a unified approach across program types within each sector, support a cohesive customer experience, and ensure timely progress toward portfolio objectives.

Coordination with Other PAs

SoCalREN operates within a complex landscape of overlapping service territories and shared customer bases and coordinates closely with five Portfolio Administrators to

manage these intersections. The following section describes how these partnerships support portfolio alignment and collaboratively reduce customer confusion.

Coordination Participants

SoCalREN coordinates with the following Portfolio Administrators (PAs) to manage shared territories and intersecting customer segments within its service area.

Table 12. Coordination Participants

Portfolio Administrator	Shared Geographic Territory	Customer Segments and Notes
Southern California Edison (SCE)	SCE's electric service territory overlaps entirely with SoCalREN's jurisdiction across Southern California.	• Public Agencies • Farmers and growers • Multifamily properties • Single-family owners and renters • Small and medium businesses/commercial customers • Overlapping electric service territory; customer data, account manager coordination, referrals.
Southern California Gas Company (SoCalGas)	The SoCalGas service territory overlaps entirely with SoCalREN's jurisdiction across Southern California.	• Public Agencies • Farmers and growers • Small and medium businesses/commercial customers • overlapping gas territory; measure eligibility, incentive alignment, shared customer introductions. • Single-family owners and renters
Central Coast Rural REN	Overlapping territory in the High Sierra, Southern San Joaquin Valley, and the Central Coast	• Small and medium businesses/commercial customers
Inland Regional Energy Network (I-REN)	I-REN serves counties in the Inland Empire (Riverside, San Bernardino), which overlap with SoCalREN's territory.	• Public Agencies that may interact with both RENs
Tri-County Regional Energy Network (3C-REN)	3C-REN serves Ventura, Santa Barbara, and San Luis Obispo counties, which border and partially overlap with SoCalREN's territory.	• Public Agencies that may interact with both RENs • Farmers and growers • Small and medium businesses/commercial customers • overlapping service territory; coordinate Ag customer referrals.

Coordination Structure and Frequency

SoCalREN engages in a comprehensive coordination framework to support seamless program delivery, maintain alignment with statewide energy efficiency goals, and reduce customer confusion in overlapping service territories. This framework includes formal coordination venues such as Portfolio Administrator Sector Coordination (PASC) meetings, Joint Cooperation Memo (JCM) sessions, and sector-specific coordination calls with IOUs and other RENs. These venues facilitate consistent communication among portfolio administrators, sector leads, and third-party implementers, helping to minimize duplication of effort, align program delivery approaches, and maximize regional impact.

Table 13 below summarizes the primary coordination forums, participating entities, meeting frequency, and objectives, illustrating how SoCalREN collaborates with partner administrators to support portfolio alignment and effective market engagement.

Table 13. Coordination Structure and Frequency

Formal Venues for Coordination	Frequency	Typical Staff Involved
Portfolio Administrator Sector Coordination (PASC) Meetings—Public Sector	Quarterly	• SoCalREN PA representatives • SoCalREN 3P Implementer lead • I-REN PA representative + implementer • 3C-REN PA representative • 3C-REN 3P Implementer representative • SoCalGas PA representative • SCE PA representative
PASC Meetings—Agriculture Sector	Quarterly	• Typical SoCalREN roles: Ag Sector leads/Program managers, Engineering staff, Portfolio management and regulatory staff • Typical IOU/PA counterparts: Account managers, Agricultural program managers, Engineering review staff
PASC Meetings—Commercial Sector	Quarterly	• Commercial sector portfolio managers + program leads • Third-party implementation partners
PASC Meetings—Cross-Cutting WE&T Sector	Bi-Monthly	• Sector leads, program management staff, portfolio managers, and other PA staff
PASC Meetings—Cross-Cutting Residential Sector	Bi-Monthly	• Sector leads, program management staff, portfolio managers, and other PA staff
Joint Cooperation Memo Coordination Meetings	Per CPUC ED Direction	• Portfolio Managers • Sector Leads

Formal Venues for Coordination	Frequency	Typical Staff Involved
		• Third-party implementation partners
Agriculture Trade Ally and CBO Coordination Meetings	Quarterly	• Ag Sector leads, Program managers/implementers (PDP, DI, Retrofit, Finance), Engineering • Trade Ally program managers • CBO representatives
SoCalREN Public Agency/IOU Coordination Call	Quarterly	• SoCalREN PA representative (e.g., Sector Lead) • SoCalREN Third-Party Implementer representative for Public Programs (e.g., Programs Lead, Data Lead) • SoCalGas PA representative • SCE PA representative
SoCalREN/I-REN Public Sector Coordination Call	Bi-monthly	• SoCalREN PA representative (e.g., Sector Lead) • SoCalREN 3P Implementer staff • I-REN PA representative • I-REN 3P Implementer
SoCalREN/3C-REN Public Sector Coordination Call	Quarterly	• SoCalREN PA representative (e.g., Sector Lead) • SoCalREN Third-Party Implementer representative for Public Programs (e.g., Programs Lead) • I-REN PA representative • I-REN Third-Party Implementer representative for Public Program
SoCalREN/SCE PBRP Discussions	Bi-weekly	• SoCalREN PA representative (e.g., Sector Lead) • SoCalREN 3P Implementer staff • SCE PA representative • SCE Third-Party Implementer representative (e.g., technical review) kW Engineering
SoCalREN/SW WISE Coordination Meeting	Monthly	• SoCalREN PA representative • SoCalREN 3P Implementer staff • SCE PA representative • SCE Third-Party Implementer representative
SoCalREN Public Energy Performance (PEP) PA Ad-Hoc Meetings	Ad-Hoc	• SoCalREN PA representative • SoCalREN 3P Implementer staff • SCE Third-Party Implementer representative

Formal Venues for Coordination	Frequency	Typical Staff Involved
SoCalREN/Higher Education Energy Program (HEEP) PA Ad-Hoc Meetings	Ad-Hoc	• SoCalREN PA representative • SoCalREN 3P Implementer staff • SCE Third-Party Implementer representative

Coordination Practices (Overlap Identification and Mitigation Workflow)

SoCalREN uses a structured process to identify, assess, and resolve potential overlap with other Program Administrators (PAs). This process is grounded in the definitions of "substantially similar" and "duplicative" programs established in the SoCalREN 20-E Advice Letter. The workflow ensures that SoCalREN's offerings remain complementary or gap-filling, provide clear value to customers, and remain aligned with the State's energy efficiency objectives.

Criteria for Identifying Potential Overlap

Potential overlap is assessed during program design and monitored throughout implementation. SoCalREN evaluates whether a program targets the same customer population, employs a similar delivery approach, supports the same customer actions, or offers incentives for the same measure types as another PA. Additional considerations include whether participation pathways could create customer confusion or whether multiple programs may inadvertently compete for the same project opportunities. These criteria help identify situations that warrant further review.

Internal Review and Documentation Process

When a potential overlap or substantially similar activity is identified, the issue is elevated for internal review by portfolio managers and sector leads. The review documents the nature of the concern, affected customer segments, similarities in program design or delivery, and potential impacts on the customer experience. This documentation ensures SoCalREN enters coordination discussions with a clear understanding of the issue and potential resolution options.

Bringing Issues to Coordination Venues

Potential overlap issues are brought to the appropriate coordination venue based on the sector and PA involved. Most issues are addressed through Portfolio Administrator Sector Coordination (PASC) meetings held across the agriculture, commercial, residential, public, and cross-cutting sectors. Issues affecting multiple sectors or broader portfolio alignment may be elevated to Joint Cooperation Memo (JCM) meetings. When timely resolution is required, SoCalREN may also convene bilateral or ad-hoc discussions. Issues are typically introduced at the next scheduled meeting to support transparency and prompt resolution.

Timeline for Resolution

Resolution timelines vary by program complexity but follow a consistent process. After an issue is raised, SoCalREN and the counterpart PA review program scopes and determine whether duplication risks exist, generally within one or two meeting cycles. When adjustments are needed, mutually agreed-upon changes may include revisions to customer eligibility, messaging, measure coverage, implementation boundaries, or referral pathways. Resolutions are documented and periodically revisited to ensure continued alignment.

Tools and Levers for Resolving or Preventing Overlap

SoCalREN employs multiple strategies to address substantially similar activity and prevent duplication. These include clarifying program scopes, refining eligibility criteria, differentiating outreach materials, formalizing referral pathways, or emphasizing complementary roles among administrators. In some cases, SoCalREN may adjust program design or shift focus to unmet market needs. These tools allow SoCalREN to maintain a clear value proposition while continuing to serve customers effectively and responsibly.

Coordination with Market Transformation

SoCalREN has proposed a comprehensive portfolio of programs, including Market Support initiatives, designed to accelerate local government leadership in energy efficiency and greenhouse gas reduction. These programs are structured to align with the Commission's segmentation framework established in D.21-05-031, rather than being positioned as standalone Market Transformation Initiatives (MTIs). As the California Market Transformation Administrator (CalMTA) and TECH Clean California have advanced into active deployment phases, SoCalREN intends to maintain a complementary role that ensures local market support activities provide a strong foundation for broader statewide market transformation efforts.

With respect to CalMTA, SoCalREN is committed to active coordination through the California Energy Efficiency Coordinating Committee (CAEECC) to align with CalMTA's initial wave of MTIs. In particular, SoCalREN sees opportunities for synergy with the Room Heat Pumps and Induction Cooking initiatives. By leveraging established relationships with multifamily property owners and public agencies, SoCalREN can support adoption of 120-volt plug-in technologies and battery-enabled appliances targeted by CalMTA. SoCalREN also continues to monitor CalMTA's emerging work on Commercial Replacement and Attachment Window Solutions to ensure local delivery efforts remain complementary and aligned.

In parallel, SoCalREN will continue close coordination with TECH Clean California to streamline the participant experience and reduce market confusion. This includes

supporting incentive layering and ensuring that SoCalREN's technical assistance activities appropriately direct participants to heat pump and heat pump water heater offerings under the TECH umbrella. Through its focus on workforce development and local government capacity building, SoCalREN provides the local infrastructure necessary for statewide market transformation initiatives to scale effectively. SoCalREN remains committed to ongoing coordination with market transformation entities to ensure portfolios remain aligned and responsive to California's long-term energy and climate objectives.

Coordination with Energy Savings Assistance (ESA) Programs

SoCalREN coordinates with the Energy Savings Assistance (ESA) Program and related IOU low-income offerings to ensure that income-qualified households receive services best suited to their needs while avoiding duplication across programs. While SoCalREN's portfolio primarily serves market-rate multifamily properties and non-residential customers, the REN occasionally encounters properties or households that are more appropriately served through ESA. In these cases, SoCalREN refers eligible customers directly to IOU ESA implementers to ensure access to no-cost weatherization, energy-efficient appliances, and bill support services available through ESA, CARE, or FERA.

The coordination process begins when SoCalREN identifies a participant who may be eligible for ESA based on income, building characteristics, or the presence of existing ESA-qualified measures. Program staff assess whether the property is better served through ESA's direct-install model and, when appropriate, facilitate referrals and customer handoffs to IOU program administrators. This approach supports a seamless customer experience and avoids the development of parallel or duplicative offerings.

Because ESA and SoCalREN's Hard-to-Reach (HTR) programs may serve overlapping geographies—particularly within disadvantaged or hard-to-reach communities—SoCalREN maintains clear and ongoing communication with IOUs to prevent customer confusion. SoCalREN positions its HTR services as complementary to ESA by focusing on energy education, bill relief activities, and measures not offered through ESA. When SoCalREN receives inquiries from multifamily properties that qualify for ESA services, the REN provides information about ESA offerings and coordinates directly with IOU staff to transition the customer to the appropriate program.

Coordination with Other Demand-Side Programs

SoCalREN works across a broad network of demand-side management (DSM) programs to ensure customers can access the full range of energy and decarbonization resources

available at the local, state, and federal levels. These partnerships help customers optimize project design, layer funding sources, and reduce upfront costs, while ensuring that SoCalREN's programs remain complementary to other DSM offerings.

SoCalREN's coordination efforts span IOU demand response programs, local government initiatives, water-energy programs, building decarbonization efforts, and other statewide activities. Through its technical assistance and Market Support programs, SoCalREN routinely guides public agencies, multifamily property owners, small businesses, and agricultural customers to appropriate DSM resources beyond its own portfolio, including relevant state and federal funding opportunities aligned with California's energy and climate goals.

Within the Public Sector, SoCalREN serves an integrator role by helping agencies consider the full suite of available DSM options when developing facility improvement plans or decarbonization roadmaps. Through planning and design support, SoCalREN assists agencies in bundling energy efficiency, load flexibility, renewable energy, storage, and electrification measures, while coordinating with IOU programs and other state and local resources to support comprehensive and cost-effective implementation.

CHAPTER 8: STAKEHOLDER ENGAGEMENT

SoCalREN prioritized stakeholder engagement throughout 2025, both to support delivery of existing programs and to gather valuable input used in developing this Strategic Business Plan and Portfolio Application.

Engagement activities included Regional Partner Roundtables, Public Agency Satisfaction Surveys, and the Community-Based Design Collaborative, as well as public webinars for the agricultural sector and ongoing coordination with Workforce Education and Training (WE&T) partners.

These engagement efforts identified a consistent need for strategies that address aging infrastructure, rising capital costs, and technical barriers that frequently impede implementation of energy efficiency and resilience projects.

Feedback from local governments, community-based organizations, and facility operators emphasized the importance of place-based strategies in hard-to-reach, disadvantaged, and high fire-threat communities. Stakeholders highlighted challenges related to limited contractor availability, energy affordability pressures, and the increased operational costs associated with wildfire mitigation. SoCalREN's Stakeholder Engagement activities in 2025 are highlighted Table 14.

Table 14. Stakeholder Engagement

Engagement Opportunity	Date	Participants	Notes
Community Based Design Collaborative	11/17/2025	Program administrators, CBOs, ratepayers/customers, energy providers, utility reps, etc. (28 participants)	• SoCalREN hosted a stakeholder webinar to gather input on the Community-Based Design Collaborative. The webinar covered the Collaborative's framework, core objectives, and alignment with approved SoCalREN Business Plan strategies, including serving ESJ communities and removing barriers to access clean, safe, and affordable utility services consistent with the CPUC ESJ Action Plan. • The presentation also reviewed the design of initiatives selected through the first cohort, along with the proposed timeline, budget, and evaluation metrics.
Community Engagement Indicators Focus Group	5/22/2025	Trust South LA, Strategic Actions for a Just Economy (SAJE), AllForKids/The Children's Bureau, Community Coalition, California Native Vote Project, Plaza Community Services	• SoCalREN took deliberate steps to develop meaningful indicators that reflect effective community engagement across program design, implementation, and evaluation. To ground these indicators in real-world experience, SoCalREN convened a focus group with community-based organizations on May 22, 2025. • Participants represented a range of sectors, including social services, environmental and racial justice, early childhood education, and community empowerment, and shared a common commitment to direct, meaningful engagement with the communities they serve. • Input from this focus group informed SoCalREN's 2025 mid-cycle advice letter and supported the development of indicators based on community-driven perspectives.
LA County + CAL FIRE Wildfire	08/12/25	LA County ISD; CAL FIRE	• Discussed priority actions for building owners to take to mitigate wildfire damage, including implementation of defensible space and

Engagement Opportunity	Date	Participants	Notes
Building Retrofit Planning Meeting			building retrofits, including roof and window retrofits that also increase energy efficiency.
LA County + SGVCOG Wildfire Resilience Meeting	08/12/25	LA County ISD; SGVCOG	• Discussed wildfire threat and resilience planning needs in the San Gabriel Valley, including wildfire prevention workshops and low-cost resiliency home retrofits.
Agriculture Sector Public Webinar	10/7/25	SoCalREN cross-sector stakeholders, SoCalREN Regional Partners, Ag stakeholders	• Stakeholder engagement included a public Agriculture Sector webinar on 10/7/25 with participation from SoCalREN Regional Partners and agricultural community stakeholders.
Regional Partner Roundtable	10/15/25	Gateway Cities Council of Governments (GCCOG), High Sierra Energy Foundation (HSEF), San Gabriel Valley Council Of Governments (SGVCOG), South Bay Cities Council Of Governments, (SBCCOG), San Joaquin Valley Clean Energy Organization (SJVCEO)	• Adopt flexible baseline determinations for aging equipment to accurately reflect real-world conditions. This enables appropriate incentives for necessary replacements due to operational failure rather than discretionary upgrades, supporting agencies with urgent capital needs. (SBCCOG) • Include matching funds within Total Resource Cost (TRC) calculations to better demonstrate project cost-effectiveness. (SBCCOG) • Prioritize fuel switching initiatives in regions with high propane usage and no natural gas service. (HSEF) • Provide increased support for the upfront costs of energy-efficient technologies to reduce implementation barriers. (GCCOG) • Support measures that incentivize electrification and DERs, including battery storage, solar, and EV charging, to reduce GHG emissions in highly impacted communities. (GCCOG, SBCCOG) • Allow incentives for complementary climate measures, specifically cool roofs and tree planting, as eligible activities that reduce energy demand. (GCCOG, SBCCOG)

Engagement Opportunity	Date	Participants	Notes
			• Ensure that minor necessary repairs, which also improve Indoor Air Quality (IAQ), do not disqualify customers from receiving energy efficiency incentives, particularly for lower-income and priority populations. (GCCOG, SGVCOG)
Regional Partner Roundtable	11/17/25	GCCOG, HSEF, SGVCOG, SBCCOG, SJVCEO	• Address extreme heat with HVAC measures (GCCOG) • Incentives are low compared to the costs of upgraded equipment (SBCCOG) • Looking at FEI for potential efficiency opportunities needs (SBCCOG) • Supporting agencies with cost of efficient technology given small/no incentives, e.g. HVAC (SBCCOG) • Investments into facilities that cost high to maintain (SBCCOG) • Take into account cost effectiveness to compare costs of not taking action on the installation of EE equipment (SBCCOG) • HVAC measures may not be large enough to address problems agencies are having (SJVCEO) • Create a PA HVAC program or subprogram (LAC) • Interest in load flex program + with enhanced incentives (LAC)
Public Agency Annual Satisfaction Survey	Q4 2025	Enrolled and participating public agencies in SoCalREN Programs	• 86% of agencies stated projects would have been impossible without SoCalREN support. • Agencies ranked project management, audit calculations, and incentive application support as the most beneficial services. • "We finally have data and reports to leverage the need for more EE projects. It is helping us convince different people in our organization that these projects are needed." – Rio School District
Residential Partner Meetings and Check-Ins	Monthly throughout 2025	K–12 districts, workforce partners, community-based organizations, employers,	• Used to share program updates, coordinate activities, gather stakeholder feedback, and review participant progress to inform program planning and implementation.

Engagement Opportunity	Date	Participants	Notes
		contractors, property management companies	
WE&T Partner Meetings and Check-Ins	Monthly throughout 2025	K–12 districts, community colleges, workforce partners, CBOs, employers, contractors, internal WE&T staff	• Used to share program updates, coordinate activities, gather stakeholder feedback, and review participant progress to inform program planning and implementation.
WE&T Ongoing Coordination Calls and Emails	Ongoing throughout 2025	Education partners, workforce partners, training providers, internal WE&T staff	• Regular communication to address enrollment updates, participant inquiries, scheduling, and real-time implementation needs across WE&T programs.
Coalition and Working Group Participation	Ongoing throughout 2025	Contractors, industry partners, workforce organizations, SoCalREN programs, internal WE&T staff	• Participation in sector collaboratives and working groups to share expertise, gather feedback, and inform program design, delivery, and continuous improvement efforts.

In response to this feedback, SoCalREN's Application incorporates several key structural updates to better align with stakeholder priorities. These updates include more flexible baseline determinations for equipment replacement and an increased emphasis on engineering analyses to support internal decision-making and funding approvals. The Application also integrates broader economic resilience strategies, such as pairing energy efficiency with resiliency measures implemented in partnership with SoCalREN's GoGreen financing partners, as well as load flexibility measures for public agencies to address evolving regulatory and environmental conditions. In addition, the Application reaffirms the importance of hands-on technical support—including project management and audit calculations—which 86 percent of surveyed agencies identified as critical to project feasibility. By incorporating these community-based and sector-specific insights, the SoCalREN Application is designed to fill market gaps, meet community needs, reduce administrative burdens, and advance the State's energy efficiency and GHG reduction goals.

CHAPTER 9: EVALUATION, MEASUREMENT, AND VERIFICATION

EM&V funds will be used to strengthen SoCalREN's portfolio and ensure programs collect the data necessary to support evaluation requirements. Evaluations will assess a comprehensive set of performance indicators, including Total System Benefit (TSB), Total Resource Cost (TRC), Program Administrator Cost (PAC), and measure adoption.

A comprehensive workplan will be developed annually by SoCalREN's third-party EM&V team to identify portfolio-wide study needs, establish timelines, and allocate budgets by study. The annual workplan may include new or updated studies that build on findings from prior years.

The workplan will include the following types of research activities:

- **Process Evaluation Studies** to examine opportunities to improve program design, implementation, and the participant experience. Process Evaluation Studies for individual programs will generally be conducted after programs have been implemented for at least one year. SoCalREN also plans to conduct at least one Process Evaluation study at the portfolio level to assess overall accomplishments, identify gaps, and help refine the portfolio direction as needed.
- **Evaluability Studies** to ensure program goals are clearly defined, logically connected to program activities, and supported by cost-effective data collection practices. Evaluability studies will also be conducted for newly added programs described in the Business Plan, with a focus on data tracking for Resource Acquisition programs and any Market Support or Equity metrics deemed critical by CPUC or SoCalREN.
- **Market Studies** to identify market gaps, better understand target audiences, or assess emerging service opportunities. Market studies will be conducted as needs are identified over the eight-year period, including at the conclusion of the first four-year cycle to inform future portfolio design.

The EM&V budget for the 2028–2035 period is based on the Commission-adopted methodology and includes both SoCalREN's and ED's EM&V allocations. The budget supports high-quality data integrity and transparency for ratepayer-funded initiatives. As a Regional Energy Network serving sectors often overlooked by traditional utility programs, EM&V is essential to demonstrate the effectiveness and value of SoCalREN's specialized interventions. The budget supports an independent third-party EM&V team, providing the CPUC and stakeholders with an objective assessment of portfolio performance and outcomes.

Table 15. Distribution of EM&V Budget

	2028	2029	2030	2031	2032	2033	2034	2035
EM&V Total	$3,176,602	$3,583,621	$3,920,682	$4,301,163	$4,430,198	$4,563,104	$4,699,997	$4,840,997
SoCalREN EM&V Budget	$873,566	$985,496	$1,078,188	$1,182,820	$1,218,304	$1,254,854	$1,292,499	$1,331,274
ED EM&V	$2,303,036	$2,598,125	$2,842,494	$3,118,343	$3,211,893	$3,308,250	$3,407,498	$3,509,723

CHAPTER 10: COST AND COST RECOVERY

This chapter is applicable to IOU Portfolio Administrators only.

CHAPTER 11: RECOMMENDATIONS FOR NEW OR MODIFIED EE POLICY

Chapter 11 introduces a set of targeted policy recommendations aimed at modernizing California's energy efficiency framework. These proposals strengthen accountability, expand equitable access to clean energy upgrades, and remove structural barriers that limit progress toward the state's climate, affordability, and reliability goals.

Recommendation 1. REN Total Benefit Metric

Since its launch in 2013, SoCalREN has successfully met the criteria set forth by the Commission for RENs. As stated in D.12-11-015 and reaffirmed in D.19-12-021, the Commission directed the RENs to deliver programs and activities that met a threshold of criteria. However, with the maturity of the State's energy efficiency portfolio and changes being revealed in the current market, there does hold substantial merit to improving the adopted criteria from 2012. SoCalREN recommends the Commission adopt an accountability framework that utilizes a non-energy benefits calculator to establish a standardized metric for setting annual portfolio goals and tracking REN performance.

In alignment with the 2024 California State Auditor's report[15] highlighting the need for enhanced oversight of energy efficiency programs, SoCalREN agrees that there is a need regarding an enhanced oversight framework that also includes California's RENs. While the current TSB metric captures essential grid impacts, it does not account for the extensive participant, partner, and community benefits that are central to the mission of the RENs as well as alignment with CPUC Equity mandates[16]. To ensure a comprehensive evaluation of portfolio performance, SoCalREN has developed a proposed specialized benefits calculator (REN Benefits Calculator Tool) to output a REN Total Benefit (RTB) metric providing a more comprehensive picture of ratepayer value.

SoCalREN's proposed framework and RTB Metric is outlined **in Exhibit 4: REN Benefits Calculator Tool** and details the RTB metric, including its calculation methodology, benefits captured, proposed oversight framework, a public stakeholder process to finalize the proposed RTB Metric, and timeline for formalization. SoCalREN requests the Commission direct SoCalREN to initiate a stakeholder working group for feedback and require SoCalREN to file a Tier 2 Advice Letter for final Commission staff review.

[15] California State Auditor. (2025). The California Public Utilities Commission: Without Improving Its Oversight, the Benefits of Energy Efficiency Programs May Not Be Worth Their Cost to Ratepayers (Report 2023-127). Published March 18, 2025.

[16] CPUC. (2020). ESJ Action Plan, Version 2.0; California Public Utilities Commission. (2018). Decision D.18-05-041: Decision Addressing Energy Efficiency Business Plans

Recommendation 2. The Commission Should Allow EE Incentives to Support Electrification of Non-Regulated Fuel Sources

California's decarbonization goals cannot be achieved without accelerating the transition away from fossil fuels at the building level — including natural gas, propane, and other non-regulated fuel sources. Current EE program rules create a structural barrier by limiting energy efficiency incentives to projects that reduce consumption of utility-delivered energy, effectively penalizing customers who take the most impactful decarbonization step available to them: electrification.

As customers replace propane furnaces or a natural gas appliances that fall outside utility jurisdiction with a high-efficiency electric alternative, they are reducing greenhouse gas emissions, lowering long-term energy costs, and strengthening grid-interactive demand flexibility. Despite these clear public benefits, they are frequently ineligible for the incentives available to customers switching from regulated fuels. This inconsistency undermines California's own climate mandates and sends a contradictory market signal to the customers and contractors most likely to drive deep decarbonization.

AB 32, SB 100, and the California Climate Commitment establish economy-wide emissions reductions as state policy. Excluding non-regulated fuel switchers from incentive programs contradicts this mandate by treating equivalent emissions reductions unequally based on a procedural distinction rather than a climate outcome. Underserved and hard-to-reach communities—those the CPUC's own ESJ Action Plan prioritizes—are disproportionately reliant on propane and other non-regulated fuels, particularly in rural and disadvantaged areas.

Denying these customers access to electrification incentives deepens the equity gap the Commission has committed to closing. In addition, Contractors, builders, and community organizations operating in areas with high non-regulated fuel use need consistent, accessible incentive pathways to build the market infrastructure necessary for California to meet its 2030 and 2045 targets. Program exclusions fragment the market and slow adoption precisely where transformation is most needed.

In addition to providing ratepayers with the opportunity to move away from unregulated fuels to power equipment at their homes and businesses, this approach would support the prioritization of off-peak load growth, improving energy affordability by spreading fixed system costs over a larger volume of sales and ratepayer PPP charges. Integrating these measures into IDSM offerings will help ensure an approach that both aligns with specific building types and operational contexts and maximizes project and portfolio TSB.

The CPUC should allow program administrators to explicitly authorize incentives for electrification measures that replace non-regulated fuel sources, update cost-effectiveness protocols to capture the full societal value of these conversions, and

prioritize outreach to communities with the highest concentrations of non-regulated fuel use. This is not an expansion of program scope — it is a correction of an inequity that currently prevents California's energy efficiency programs from fully serving the state's own climate and equity commitments.

Recommendation 3. The Commission Should Establish Streamlined and Transparent Custom Project Approval Timelines

Significant delays in the review process currently act as a primary barrier to program implementation across all sectors. For example, specific measure packages submitted as far back as 2023 remain under review, and many 2026 packages have yet to be approved. These delays prevent program administrators from offering essential measures desired by potential participants, halting progress despite having the workforce and technical capacity ready to complete the work.

The current Custom Measure Package Archive (CMPA) upload process is particularly burdensome due to rigid and unpredictable review timelines. Under the existing structure, projects must be submitted on specific dates, which can add six to eight weeks of wait time before a project can even begin. From an engineering perspective, these delays disrupt technical site assessments and complicate the coordination of equipment installation. For participants, these multi-month gaps often make deep retrofits unfeasible.

Streamlining these processes is also closely linked to the proposed updates described above for NTG and POE requirements. By simplifying the review of program influence and providing a more flexible, rolling submission process for custom projects, the Commission can reduce the procedural hurdles that currently limit the scale of energy efficiency portfolios. Establishing a transparent and reliable schedule for measure approvals will ensure that program administrators can meet demand and maximize positive ratepayer outcomes.

Recommendation 4. The Commission Should Establish a Net-to-Gross (NTG) Value of 1.0 for all Custom Projects

Net-to-gross (NTG) ratios are applied to energy efficiency program savings to account for "free ridership" — the share of energy savings that would have occurred in the absence of a utility program. In theory, NTG adjustments produce a more accurate picture of program-attributable savings. In practice, however, applying NTG discounts to custom projects that already require a preponderance of evidence to demonstrate savings creates a double standard that is analytically inconsistent, administratively burdensome, and ultimately counterproductive to the state’s energy and climate goals.

Custom projects, by definition, require applicants to demonstrate — through engineering analysis, baselining, measurement and verification, and documented project justification — that the proposed measures would not have been implemented without

program support. This is precisely what a preponderance of evidence standard demands: that it is more likely than not that the program was the but-for cause of the project moving forward.

When a program administrator have already met this evidentiary burden, applying a further NTG discount is logically redundant. The preponderance of evidence standard and a sub-1.0 NTG ratio cannot coherently coexist — one affirms program causality, while the other discounts it. In addition, custom projects are already subject to conservative baseline assumptions, rigorous M&V requirements, and persistence decay adjustments over their measure lives. Layering a sub-1.0 NTG ratio on top of these adjustments produces a compounded discount that bears no rational relationship to actual program performance. This over-discounting artificially depresses reported savings, making programs appear less impactful than they are, which in turn jeopardizes outcomes that harm ratepayers and undermine the very objectives of programs the Commission has authorized to deliver climate and equity benefits.

The custom project pathway exists precisely because standard prescriptive measures are insufficient to capture the full range of cost-effective energy efficiency opportunities available in complex facilities. The additional administrative burden placed on applicants — detailed audits, custom engineering, individualized baselines, third-party M&V — is itself a self-selection mechanism that filters out free riders. Customers unwilling to invest the time and resources required to complete a custom project application are unlikely to be free riders. The application process itself serves as a de facto NTG screen.

The Commission has repeatedly affirmed its commitment to capturing all cost-effective energy efficiency. Applying sub-1.0 NTG ratios to custom projects that have already satisfied a preponderance of evidence standard directly contradicts this commitment by causing the Commission to systematically under-count verified, program-caused savings. This miscounting has downstream consequences for integrated resource planning, greenhouse gas accounting, and the state's ability to accurately track progress toward its decarbonization targets.

The CPUC should establish that all custom projects which satisfy the preponderance of evidence standard for program causality are assigned a net-to-gross ratio of 1.0. This change would eliminate an internal analytical inconsistency in the current evaluation framework, more accurately reflect the true program-attributable value of custom efficiency investments, reduce unnecessary administrative friction for program administrators and customers, and better align reported savings with California's climate accounting needs.

Recommendation 5. The Commission Should Allow EE Programs to Support Small Battery Storage for Rural/HTR Customers Impacted by PSPS Events

Energy efficiency programs have long served as a cornerstone of utility policy, helping customers reduce consumption, lower bills, and improve grid reliability. However, for rural and hard-to-reach (HTR) customers — particularly those subject to Public Safety Power Shutoff (PSPS) events or other grid interruptions — traditional EE measures fall short. When the power goes out, efficiency gains are irrelevant. The Commission should therefore expand EE program eligibility to include small battery storage systems for this uniquely vulnerable population.

This consideration is particularly important for tribal and rural communities, such as those in Mono and Inyo counties, that face frequent and long-lasting power outages. In these areas, battery storage and backup generators are a matter of health and safety, especially during wildfires or public safety power shutoffs. By providing incentives for these systems and coordinating with existing Tribal outreach efforts, the Commission can ensure that equipment is placed where it is most impactful. When these technologies are supported through energy efficiency frameworks, it becomes easier to meet state equity goals and provide reliable power to all ratepayers, regardless of their location.

Recommendation 6. The Commission Should Allow Minor Remediations in EE Programs

Many potential program participants—particularly owners of older multifamily housing stock—are prevented from participating in SoCalREN's programs because they cannot afford the minor remediations (e.g., mold mitigation, asbestos removal, minor structural repairs, etc.) required before a proposed EE installation can begin. By categorizing these minor repairs as Equity measures, the Commission can align program rules with state goals and ensure that older buildings are not skipped over because owners cannot afford the upfront costs.

To support this, the Commission should develop a remediation adder similar to the ideas in the current Viable Electric Alternative (VEA) proposal. A dedicated funding stream for remediation ensures that potential participants are not left behind just because it costs more to get their site ready for upgrades. Other states have already seen success with this; for example, the Residential Energy Preparation Services (REPS) program in Connecticut specifically targets these barriers to make sure households can access energy upgrades equitably.

Establishing a clear framework for incorporating remediation activities in EE projects provides PAs the flexibility needed to help address the structural and environmental safety issues that are often the necessary first step in both simple upgrade and deep retrofit projects. By providing a simple way to fund and categorize these repairs, the Commission can help expand the availability of EE upgrades to additional ratepayers.

Recommendation 7. SoCalREN's Response to OP 2

In response to Decision (D.) 23-06-055, Ordering Paragraph 2 (OP 2), the Commission directed Program Administrators (PAs) to coordinate to: (1) develop a statewide program portfolio assessment process, and (2) recommend changes to the portfolio of statewide programs. To accomplish this work, PG&E served as the lead facilitator and convened an all-PA working group that met regularly to complete the tasks outlined in OP 2. SoCalREN participated in the all-PA OP 2 working group and provided input and feedback on the draft materials.

Following review of the final draft of the OP 2 PA working group document, "Statewide Energy Efficiency Program Assessment Criteria, D.23-06-055 OP 2 Statewide Assessment Framework," dated February 12, 2026 (Joint PA OP 2 Draft Proposal), SoCalREN concluded that the proposed framework does not fully address Task 1 of OP 2. However, SoCalREN did identify elements of the Joint PA OP 2 Draft Proposal that support Task 2 of OP 2.

In response to OP 2 Task 1, SoCalREN recommends that the Commission direct a single lead PA to initiate a rolling annual study to assess the existing portfolio of statewide programs. Additional detail on the recommended scope and elements of these annual assessments is provided in **Exhibit 5: SoCalREN's Response to OP 2: Recommended Edits to "Statewide Energy Efficiency Program Assessment Criteria, D.23-06-055 OP 2 Statewide Assessment Framework, dated February 12, 2026."**

In addition, and in response to OP 2 Task 2, SoCalREN has proposed specific edits to the Joint PA OP 2 Draft Proposal. SoCalREN believes that, with these edits, the framework would more fully reflect the intent of the Commission's ordering paragraph. These proposed edits are also included in Exhibit 5.

APPENDIX A: SECTOR-LEVEL LOGIC MODELS

The sector-level logic models presented in this appendix illustrate how SoCalREN's programs convert ratepayer investments, technical resources, and community partnerships into measurable outcomes across the Agricultural, Commercial, Public, Residential, and Cross-Cutting sectors.

By presenting logic models at the sector level, SoCalREN highlights the distinct market conditions, participation barriers, and operational pathways unique to each customer segment. This approach demonstrates how activities such as technical assistance, community-based design, workforce development, direct installation, and financing support work together to address sector-specific challenges while advancing statewide priorities related to affordability, decarbonization, and Environmental and Social Justice (ESJ) goals.

These models also serve as a foundation for evaluation, measurement, and verification (EM&V), enabling clear alignment between program design, expected impacts, and performance metrics. Collectively, the logic models establish a cohesive framework that guides implementation, supports continuous improvement, and ensures that SoCalREN's portfolio delivers meaningful, persistent benefits to the communities it serves.

Agricultural Sector

Agriculture

Inputs

- Program funding
- Ag-PDP staff
- Rural partners
- DI implementers
- Ag WE&T trainers
- Financing tools

Activities

- Technical assistance
- Rural HTR direct installations
- Retrofit incentives
- Ag workforce training

Outputs

- Completed audits
- DI measures implemented
- Retrofit scopes completed
- Ag contractors trained
- Rural and DAC farms enrolled

Short-Term Outcomes (1-4 Years)

- Increased early adoption of EE practices
- Initial energy and cost savings
- Expanded participation from rural and disadvantaged farms

Medium-Term Outcomes (4-6 Years)

- Larger multi-measure retrofit adoption across Ag facilities
- Expanded contractor coverage in rural areas
- Increased comfort at facilities

Long-Term Outcomes (6-8+ Years)

- Long-term reductions in ag energy and water use
- Widespread adoption of efficient farm systems
- Sustained equity and resilience in rural agricultural communities

Commercial Sector

Commercial

Inputs

- Program funding
- Business Energy Advisors
- Refrigeration vendors
- DI teams
- Community-based partners
- Resiliency contractors

Activities

- HTR commercial DI
- Refrigeration replacements
- Energy coaching
- Wildfire resiliency upgrades

Outputs

- Completed DI
- Refrigeration units replaced
- HTR, LILA, and DAC businesses served
- Resilience improvements deployed

Short-Term Outcomes (1-4 Years)

- Reduced utility costs for small businesses
- Improved indoor air quality
- Increased participation in disadvantaged and low-access communities

Medium-Term Outcomes (4-6 Years)

- Expanded uptake of multi-measure energy upgrades
- Strengthened resilience among small commercial businesses

Long-Term Outcomes (6-8+ Years)

- Broad commercial district resilience
- Reduction of long-term energy burden for small businesses
- Progress toward zero-emissions commercial buildings

Public Sector

Public

Inputs

- Public agency staff
- Engineering support
- SEM coaches; NMEC tools
- Financing capital
- Tribal and rural partners

Activities

- Energy audits and engineering support
- SEM
- NMEC project development
- Load-flexibility planning
- Rural direct install
- DER readiness support

Outputs

- SEM Action Plans
- NMEC project pipelines
- Facility upgrades
- Revolving Loan Fund loans issued
- Resilience assessments

Short-Term Outcomes (1-4 Years)

- Increased agency capacity to manage energy
- Initial energy savings
- Lower energy burden for underserved agencies

Medium-Term Outcomes (4-6 Years)

- Multi-year SEM engagement across agencies
- Expanded whole-facility retrofits
- Improved DER readiness in public buildings

Long-Term Outcomes (6-8+ Years)

- Climate-resilient public infrastructure
- Persistent reductions in energy use and emissions
- Long-term institutionalization of energy management practices

Residential Sector

Residential

Inputs

- Multifamily and single-family program implementers
- Outreach partners
- Incentive budgets
- Rural delivery partners

Activities

- Multifamily efficiency retrofits
- Single-family whole-home upgrades
- Rural DI
- Education kit distribution

Outputs

- Multifamily and single-family units upgraded
- DI measures completed
- Kits distributed
- Participation increased in DAC and HTR communities

Short-Term Outcomes (1-4 Years)

- Reduced household energy burden
- Improved comfort and indoor air quality
- Higher participation from renters and homeowners in underserved areas

Medium-Term Outcomes (4-6 Years)

- Growth in electrification adoption
- More comprehensive multifamily retrofits
- Deeper multi-measure upgrades

Long-Term Outcomes (6-8+ Years)

- Long-term decarbonization of multifamily and single-family housing
- Persistent reduction in residential energy burden
- Improved indoor air quality and resilience for vulnerable households

Cross-Cutting Community-Based

Cross-Cutting Community-Based

Inputs

- Program funding
- CBOs and Tribal partners
- Community engagement staff

Activities

- Community co-design and engagement
- Culturally competent outreach
- Program navigation and referrals

Outputs

- Community partners engaged
- Referrals to sector programs
- DAC, HTR, and Tribal participation

Short-Term Outcomes (1-4 Years)

- Increased trust and awareness
- Reduced participation barriers
- Higher enrollment from priority communities

Medium-Term Outcomes (4-6 Years)

- Sustained community participation
- Improved program alignment with local needs
- Stronger community delivery pipelines

Long-Term Outcomes (6-8+ Years)

- Long-term decarbonization of multifamily and single-family housing
- Persistent reduction in residential energy burden
- Improved indoor air quality and resilience for vulnerable households

Cross-Cutting Finance

Cross-Cutting Finance

Inputs

- Revolving Loan Fund capital
- Loan administrators
- External financing partners
- Federal and State incentives

Activities

- Zero-percent loans
- On-Bill Financing navigation
- USDA and GoGreen support
- Grant preparation
- Incentive stacking

Outputs

- Loans issued
- External funds leveraged
- More projects moving into construction

Short-Term Outcomes (1-4 Years)

- Lower upfront cost barriers
- Higher participation among underserved agencies and farms
- Faster movement from audit to construction

Medium-Term Outcomes (4-6 Years)

- Multi-project financing packages adopted
- More complex projects funded
- Higher use of blended capital

Long-Term Outcomes (6-8+ Years)

- Long-term affordability of energy and decarbonization upgrades
- Normalized use of financing mechanisms
- Expanded access to capital among DAC and HTR customers

Cross-Cutting WE&T

Cross-Cutting WE&T

Inputs

- Workforce program staff
- Community colleges
- Training providers
- Workforce boards
- Community-based partners
- Contractor networks

Activities

- Contractor academies
- Youth career pathways
- Agricultural workforce programs
- Construction project management training
- Non-trade workforce development

Outputs

- Certifications earned
- Job placements completed
- Contractors upskilled
- Expanded diverse workforce pipeline

Short-Term Outcomes (1-4 Years)

- More trained installers and contractors
- Increased entry into clean-energy careers for DAC and HTR residents
- Improved workforce capacity for program delivery

Medium-Term Outcomes (4-6 Years)

- Workforce specialization across sectors (multifamily, agriculture, DER)
- Larger and more stable contractor base
- Improved workforce retention

Long-Term Outcomes (6-8+ Years)

- A mature, diverse, and regionally distributed clean-energy workforce
- Workforce capacity fully supports large-scale decarbonization
- Increased economic mobility in underserved communities