

Proceeding: A.26-03-009
Exhibit No.: SDREN – 01
Date: ~~March 16~~ September 30, 2026
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SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 1

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

TESTIMONY

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Table 2.4 4-year Portfolio Forecast Summary (2028-2031)

4-year Portfolio Forecast Summary (2028-2031)						
	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	\$9,409,499	\$10,135,508	\$10,977,328	\$11,823,627	\$15,577,356	\$42,345,962
Total Resource Cost (TRC) Ratio	0.25	0.26	0.27	0.28	0.53	0.27
Program Administrator Cost (PAC) Ratio	0.26	0.27	0.28	0.29	0.64	0.28
Societal Cost Test (SCT) Base	0.35	0.36	0.37	0.38	0.68	0.37
Societal Cost Test (SCT) High	0.35	0.36	0.37	0.38	0.69	0.37
Ratepayer Impact Measure Test Ratio (RIM)	0.24	0.24	0.25	0.25	0.15	0.25
Lifecycle GWh	59.55	61.34	63.18	65.07	235.56	249.13
First Year MW	0.57	0.59	0.61	0.63	0.00	2.40
Lifecycle MMOTHERMS	0.21	0.22	0.22	0.23	0.00	0.88
Lifecycle Net Electric CO2 Metric Tons	6,632.84	6,080.00	6,207.44	6,412.83	31,228.91	25,333.12
Lifecycle Net Gas CO2 Metric Tons	17,741.25	18,273.48	18,821.69	19,386.34	-	74,222.75

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4-year Portfolio Forecast Summary (2028-2031)						
	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	\$9,736,465	\$10,528,750	\$11,409,602	\$12,274,389	\$16,589,512	\$43,949,206
Total Resource Cost (TRC) Ratio	0.26	0.27	0.28	0.29	0.56	0.28
Program Administrator Cost (PAC) Ratio	0.27	0.28	0.29	0.30	0.68	0.29
Societal Cost Test (SCT) Base	0.34	0.35	0.37	0.38	0.64	0.36
Societal Cost Test (SCT) High	0.34	0.35	0.37	0.38	0.64	0.36
Ratepayer Impact Measure Test Ratio (RIM)	0.25	0.25	0.25	0.26	0.16	0.25
Lifecycle GWh	59.55	61.34	63.18	65.07	235.56	249.13
First Year MW	0.57	0.59	0.61	0.63	0.00	2.40
Lifecycle MMOTHERMS	3.34	3.44	3.54	3.65	0.00	13.98
Lifecycle Net Electric CO2 Metric Tons	7,641.09	7,068.66	7,182.47	7,364.57	34,001.83	29,256.78
Lifecycle Net Gas CO2 Metric Tons	17,741.25	18,273.48	18,821.69	19,386.34	-	74,222.75

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1 customers that may be missed or passed over by other programs. The program is intended
2 to deliver \$156.6M in TSB.

3 Forecasts for SDREN's resource acquisition segment were developed using a function-based
4 justification approach consistent with the zero-based budgeting framework per D.21.05-
5 O31.⁷⁷ The methodology links forecasted participation levels, incentive values, and delivery
6 costs of the program's population-level NMEC measurement method.

7 The MAP leverages historical data from comparable market access and pay-for-performance
8 programs administered by other PAs, including Community Power's Smart Home Flex
9 program, to estimate participation rates and average savings per site.

10 Budget and benefit forecasts were derived from the following key inputs:

- 11 • **Average incentive cost per kilowatt-hour (kWh)/kilowatt (kW) saved**, benchmarked
12 to existing CPUC-approved market access programs.
- 13 • **Projected number of aggregated project bundles per year**, informed by regional
14 market size and contractor capacity.
- 15 • **Administrative and implementer labor requirements** tied to number of enrolled
16 aggregators, amount of customer recruitment/community engagement, NMEC data
17 processing, project verification ongoing M&V, and incentive payment processing.
- 18 • **Expected TSB** based on verified savings values and load reduction potential during
19 summer peaks.

20 This forecast ensures that requested funding levels are commensurate with achievable
21 energy savings and are proportional to the small and medium business market potential in
22 SDREN's service territory.

⁷⁷ *Decision 21-05-031*, at Finding of Fact 12: "Zero-based budgeting requires analyzing each function for its contribution and costs before including in a budget, and does not allow expenses to continue just because they were approved in the past, if they no longer serve an important function."

Figure 5.1 *SDREN Portfolio Level Logic Model*

