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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Association of Bay Area Governments (CPUC ID 941) for Approval of the Bay Area Regional Energy Network 2028-2031 Portfolio Plan and 2028-2035 Business Plan.

Application 26-03-009

And Related Matters.

Application 26-03-010

Application 26-03-011

Application 26-03-012

Application 26-03-013

Application 26-03-014

Application 26-03-015

Application 26-03-017

Application 26-03-018

Application 26-03-019

Application 26-03-020

Application 26-03-021

Application 26-03-028

**ADMINISTRATIVE LAW JUDGE'S RULING SEEKING RESPONSES TO
SPECIFIC QUESTIONS IN OPENING TESTIMONY**

This ruling identifies specific questions for which party responses are sought. Bay Area Regional Energy Network, Southern California Edison Company, Tri-County Regional Energy Network, San Diego Gas & Electric Company, Northern California Rural Regional Energy Network, Marin Clean Energy, Southern California Regional Energy Network, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Regional Energy

Network, Central California Rural Regional Energy Network, WestLight Energy, and Inland Regional Energy Network (all applicants) are directed, and all other parties are invited, to address the following questions in their opening testimony, due October 30, 2026 pursuant to the assigned Commissioner's scoping memo and ruling.

Budget and Goals

1. Following the adoption of the California Air Resources Board's final rules on the Clean Space and Water Heater Standards,¹ or other regional standards, should the Commission adopt a process to allow adjustments to the Business Plan Applications (in budget caps, strategies, portfolio composition, or other) based on the final rules? If so, why? Please provide a recommendation for what this process would entail.
2. Is equity segment funding from each applicant, individually and/or collectively, sufficient to achieve the Commission's policy objectives for the equity segment? Please provide quantitative and qualitative explanations for your response.

Program Proposals

3. Southern California Edison Company proposed allowing consolidation of program delivery types into sales based or customer based. Describe considerations that would impact consolidating program delivery types in this or any other manner, including but not limited to: cost-effectiveness calculations, impact to operational costs, generation and measurement of total system benefit (TSB), incentive design, delivery expectations, impact on contractor delivery of services, portfolio simplification, etc.

¹ Information regarding the Clean Space and Water Heater Standards is available via the following webpage: <https://ww2.arb.ca.gov/our-work/programs/clean-space-and-water-heater-standards>.

4. Southern California Gas Company proposed to allow portfolio administrators to consolidate programs with common strategies into a single program and implementation plan that can cross segments. Please address potential considerations for these unified delivery structures, including but not limited to: third-party delivery, cost-effectiveness, flexibility, innovation, vendor concentration, segmentation, procurement, and other relevant topics.

Third-Party Programs

5. For third party program definition changes or any percent changes recommended:
 - a. Describe the impacts on investor-owned utility portfolios, including but not limited to: third-party program performance; offerings across sectors; cost effectiveness; diversification of bidders; allocation of performance and other risk; opportunities for innovation; TSB generation; and/or equity and market support outcomes.
 - b. Please identify and describe any alternative methods to using a minimum budget percentage to ensure third party delivery of energy efficiency programs. Are there other performance criteria that should be used to demonstrate compliance? Should a minimum budget percentage apply to all sectors the same way?

Equity

6. Should all portfolio administrators use a single definition of Equity Targeted Customer – instead of using Hard-to-Reach, Disadvantaged Communities, and Underserved? If so, what are the criteria that should be included in that definition so that it can be efficiently and effectively operationalized? If not, should any of the current definitions for Hard-to-Reach, Disadvantaged Communities, or Underserved be adjusted, and if so, how?

- a. What level of stringency is appropriate for portfolio administrators in determining who qualifies as an Equity Targeted Customer? How much flexibility should portfolio administrators have in making a determination?
- b. Should the definition of Equity Targeted Customer take into account the number of projects (direct install/incentive) that have historically been implemented in certain communities? If so, how? If not, why?
- c. Should the Commission consider the potential population size of Equity Targeted Customers in determining the appropriate definitions? If so, how? If not, why?

Building Decarbonization

Fuel Switching

7. Does allowing fuel switching measures (with no energy savings from regulated fuel sources):
 - a. Align with the statutory authority and legislative intent of the Commission's energy efficiency policies? Please explain.
 - b. Offer equity, grid, or other system level benefits in addition to greenhouse gas benefits? Please describe.
 - c. Is the existing Avoided Cost Calculator (ACC) sufficient for valuing fuel switching measures? Why or why not? If not, how should the Commission value fuel switching measures?
8. If the Commission authorizes energy efficiency funding for fuel switching, please address the following:
 - a. Should there be any caps, limitations, or targets? If so, describe.
 - b. What are the likely consequences to rates (electric (kilowatt-hour and kilowatt) and gas (therm)) for relevant customer classes based on likely uptake and

potential market size? To what extent will ratepayers' bills be impacted? Where?

- c. Should the Commission assess the costs and benefits of fuel switching in the same manner as energy efficiency and fuel substitution? If not, what differences should there be and why? Describe how your proposal would be operationalized and include whether and how treatment of electric and gas avoided costs should be assessed.
 - d. Given that the baseline fuel in fuel switching is unregulated, how should this be considered in potential cost-effectiveness, and are there fuel switching-specific considerations for how to measure reductions in delivered fuel use?
9. What, if any, considerations should the Commission make in future potential and goals decisions if energy efficiency funding for fuel switching is authorized?

Low-Global Warming Potential (GWP) Measures

10. Would allowing measures with no energy savings, such as low-GWP measures, to claim TSB:
- a. Align with the statutory authority and legislative intent of the Commission's energy efficiency policies? Please explain.
 - b. Offer equity, grid, or other system level benefits in addition to GHG benefits? Please describe.
 - c. Is the existing ACC sufficient for valuing low-GWP measures with no energy savings? Why or why not? If not, how should the Commission value low-GWP measures if allowed?

Electrification Right-Sizing

11. How can portfolio administrators determine when right-sizing/power-efficient design/optimization measures (lower-cost measures like meter socket adaptor, smart splitters, or other load management devices) are effective,

or when panel upsizing/upgrade/replacement (a new, higher amp panel) is needed?

12. How should right-sizing measures (meter socket adapters, smart splitters, and any other load management device) be considered in cost-effectiveness and measurement of program attribution (net-to-gross)?

Integrated Demand-Side Management

13. Pacific Gas and Electric Company proposed to allow portfolio administrators to continue using energy efficiency funding for ongoing load shifting either for Program Years 2028 through 2031 or until the Commission authorizes load shifting activities in another proceeding as a more appropriate long-term venue.² Under this approach, what criteria should the Commission use to determine when, how, and in what instances to discontinue energy efficiency funding for load shifting activities? Please describe considerations on size and reach of load shifting activities in other proceedings, as well as potential use of dynamic rates.

IT IS RULED that all applicants are directed, and all other parties are invited, to address the questions included in this ruling in their opening testimony, due October 30, 2026.

Dated September 17, 2026, at San Francisco, California.

/s/ VALERIE U. KAO

Valerie U. Kao
Administrative Law Judge

² PG&E Exhibit 1, 11-17.