

Application: A.26-03-009 et al
Exhibit No.: _____
Date: September 30, 2026
Witness(es): Matthew Rutherford

WESTLIGHT ENERGY

**SUPPLEMENTAL TESTIMONY REGARDING ITS
2028-2031 EE PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN**

EXHIBIT 4

1 **I. INTRODUCTION AND SUMMARY OF TESTIMONY**

2 WestLight Energy (WestLight), formerly Peninsula Clean Energy (PCE), presents this
3 supplemental testimony in accordance with the Administrative Law Judge’s September 2, 2026
4 Ruling Directing Submission of Corrections and Supplemental Information From All Business
5 Plan Applicants (Ruling), the September 9, 2026 E-Mail Ruling Granting Motion for Extension of
6 Time to Comply with 9/2/26 Ruling, and the September 9, 2026 Procedural Response maintaining
7 the September 30, 2026 deadline for all information requested in the Ruling. This supplemental
8 testimony also follows California Public Utilities Commission (Commission) Energy Division’s
9 (ED) supplemental filing instructions for Portfolio Administrators (PA), issued on September 15,
10 2026 (ED Instructions).

11 The ED Instructions direct PAs to include in this supplemental testimony: (1) “Portfolio
12 Level Impacts Summary” tables with portfolio level changes reflected in testimony due to the
13 Ruling, and (2) a “Summary of Testimony Update Locations” summary table with those changes.
14 The Ruling and ED Instructions also direct all applicants, including WestLight, to address the
15 following questions in supplemental testimony:

- 16 1. Does your business plan application consider the impact of the California Air Resource
17 Board’s (CARB) potential new rules on Clean Space and Water Heater Standards, or other
18 regional standards? If not, how would your business plan application need to be adjusted
19 if CARB’s current proposal is adopted, effective in 2030?
- 20 2. Provide a third-party solicitation schedule and timeline from 2028 to 2031. Use the
21 solicitation schedule posted to the California Energy Efficiency Coordinating Committee
22 website, available at <https://www.caeec.org/market-rate-ee-r25-04-010>, for reference and
23 required fields.

This supplemental testimony includes each of the items required below.

II. PORTFOLIO LEVEL IMPACTS SUMMARY TABLES

Table 1: Summary of Budget and TSB Impacts

Segment	Original Budget	Revised Budget	Budget % Change	Original TSB	Revised TSB Forecast	TSB % Change
2028-2031 Portfolio						
Resource Acquisition	\$24,400,002	\$24,400,002	0%	\$38,578,127	\$39,284,766	1.8%
Market Support	\$2,100,000	\$2,100,000	0%	\$0	\$0	0%
Equity	\$8,350,000	\$8,350,000	0%	\$5,751,576	\$5,721,367	-0.5%
EM&V	\$1,452,083	\$1,452,083	0%	\$0	\$0	\$0
Total Portfolio Excluding C&S	\$36,302,085	\$36,302,085	0%	\$44,329,703	\$45,006,133	1.5%
Codes & Standards (C&S)	\$0	\$0	0%	\$0	\$0	0%
Total Portfolio Including C&S	\$36,302,085	\$36,302,085	0%	\$44,329,703	\$45,006,133	1.5%
2032-2035 Portfolio						
Resource Acquisition	\$30,989,582	\$30,989,582	0%	\$56,378,742	\$57,081,132	1.2%
Market Support	\$2,805,247	\$2,805,247	0%	\$0	\$0	0%
Equity	\$11,154,199	\$11,154,199	0%	\$8,718,186	\$8,676,088	-0.5
EM&V	\$1,872,875	\$1,872,875	0%	\$0	\$0	0%
Total Portfolio Excluding C&S	\$46,821,903	\$46,821,903	0%	\$65,096,929	\$65,757,220	1.0%
Codes & Standards (C&S)	\$0	\$0	0%	\$0	\$0	0%
Total Portfolio Including C&S	\$46,821,903	\$46,821,903	0%	\$65,096,929	\$65,757,220	1.0%

2028-2035 Total						
Resource Acquisition	\$55,389,584	\$55,389,584	0%	\$94,956,870	\$96,365,899	1.5%
Market Support	\$4,905,247	\$4,905,247	0%	\$0	\$0	0%
Equity	\$19,504,199	\$19,504,199	0%	\$14,469,762	\$14,397,454	-0.5%
EM&V	\$3,324,958	\$3,324,958	0%	\$0	\$0	0%
Total Portfolio Excluding C&S	\$83,123,988	\$83,123,988	0%	\$109,426,632	\$110,763,353	1.2%
Codes & Standards (C&S)	N/A	N/A	N/A	N/A	N/A	N/A
Total Portfolio Including C&S	\$83,123,988	\$83,123,988	0%	\$109,426,632	\$110,763,353	1.2%

Table 2 : Summary of Cost Effectiveness Impacts¹

Segment	Original TRC	Revised TRC	TRC % Change	PAC % Change	RIM % Change	SCT-Base % Change	SCT-High % Change
2028-2031 Portfolio							
Resource Acquisition	1.10	1.12	1.7%	1.5%	1.6%	-0.3%	-0.5%
Market Support	0.00	0.00	0%	0.0%	0.0%	0.0%	0.0%
Equity	0.51	0.51	-0.5%	-0.5%	-0.5%	-6.5%	-7.1%
EM&V	0.00	0.00	0%	0.0%	0.0%	0.0%	0.0%
Total Portfolio Excluding C&S	0.89	0.90	1.5%	1.4%	1.4%	-1.1%	-1.4%
Codes & Standards (C&S)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Portfolio Including C&S	0.89	0.90	1.5%	1.4%	1.4%	-1.1%	-1.4%

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¹ Note: 2032-2035 portfolio forecasts did not include CET calculations and did not have a cost-effectiveness showing.

III. SUMMARY OF TESTIMONY UPDATE LOCATIONS

Table 3: Summary of Testimony Update Locations (Change Log)

Document (<i>Testimony or Excel</i>)	Exhibit	Chapter	Page/Sheet	Table, Figure, or Line Number	Summary of Change
Excel	n/a	n/a	Budget Filing Data, 4.1 Program Budget 2028-2031, 4.2 Sector Seg Budget 2032-2035, 4.3 TSB and C&S Targets, 10 Indicators & Metrics, 11 Program Card.	See Page/Sheet column	Replace values in fields impacted by CET change; e.g. TSB, TRC, RIM, PAC, CO2e, Electric Benefits, Water Energy Benefits; WestLight Energy Name Change. Maintains PCE as PA on program IDs and PA name on Budget Filing Data Tab.
Testimony	1	1	1-5	Figure 1-1	Updated the TSB total
Testimony	1	2	2-34 (on 2-36)	Table 2-6	Updated TSB, TRC, PAC, SCT Base, SCT, High, and RIM
Testimony	1	2	2-35 (on 2-37)	Table 2-8	Updated TSB Forecast and Goals
Testimony	1	3	3-2	Figure 3-1	Updated PCE to WestLight Energy
Testimony	1	4	4-5 (on 4-6 - confirm)	Lines 16 and 18 (4 and 6 – confirm)	Updated TSB
Testimony	1	4	4-6	Figure 4-3	Updated segment-level TSB

Testimony	1	4	4-6 (on 4-7 – confirm)	Lines 17-18 (Line 2 - confirm)	Updated the TSB total
Testimony	1	4	4-7	Lines 20-21 (line 25 – confirm)	Updated the TSB total
Testimony	1	4	4-10	Figure 4-5	Updated sector-level TSB
Testimony	1	Cover Page, TOC, All Chapters and Appendix	Various	Various	Updated PCE to WestLight Energy
Testimony	2	n/a	1-28	Each program card	Updated various TSB, TRC, and PAC values for Commercial DI, FLEXMarket, Multifamily SEM, Renters Marketplace, and Residential DI; updated PCE to WestLight Energy for all program cards
Testimony	3	N/A	1	N/A	Updated PCE to WestLight Energy

IV. ANSWERS TO QUESTIONS IN RULING

A. IMPACT OF CARB'S POTENTIAL NEW RULES ON CLEAN SPACE AND WATER HEATER STANDARDS ON WESTLIGHT'S BUSINESS PLAN APPLICATION

While WestLight's Business Plan Application (BPA) explicitly considers the broader state and regional policy trajectory toward building decarbonization, WestLight's proposed portfolio plan does not expressly assume the adoption of a specific CARB or other regional appliance standard. This section of WestLight's supplemental testimony offers additional context on CARB's

1 appliance policy, explains why WestLight’s BPA does not expressly assume the adoption of a
2 specific CARB or other regional appliance standard, and discusses the manner in which a future
3 CARB Clean Space and Water Heater policy could impact WestLight’s portfolio.

4 1) **Context for CARB’s Space and Water Heater Appliance Policy and**
5 **WestLight’s BPA**

6 CARB’s space and water heater appliance policy has changed materially since 2022. The
7 2022 State Strategy for the State Implementation Plan (2022 State SIP Strategy, or 2022 SIP)²
8 established a planning commitment to pursue a zero-emission standard for new space and water
9 heaters, as well as a proposal requiring 100 percent of new space and water heaters to comply with
10 the zero-emission standard CARB contemplated by 2030.³ The 2022 SIP contemplated a
11 subsequent CARB regulatory process to achieve this objective. CARB’s 2022 Scoping Plan
12 included references to the SIP’s zero-emission appliance concept, while addressing building
13 decarbonization more broadly.⁴

14 CARB subsequently reconsidered the approach laid out in its 2022 SIP. CARB’s 2026 SIP
15 Revision replaces the prior “Zero-Emissions Standards for Space and Water Heaters” terminology
16 with “Clean Space and Water Heater Standards” and now contemplates phased sales standards
17 governing both emissive and zero-emission equipment beginning in 2030.⁵ The 2026 SIP Revision

² California Air Resources Board Resolution 22-14, available at: <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2022/res22-14.pdf>. See also California Air Resources Board 2022 State Strategy for the State Implementation Plan, available at: <https://ww2.arb.ca.gov/resources/documents/2022-state-strategy-state-implementation-plan-2022-state-sip-strategy>.

³ California Air Resources Board, Proposed 2022 State Strategy for the State Implementation Plan at 101 (Aug. 12, 2022), available at: https://ww2.arb.ca.gov/sites/default/files/2022-11/Proposed_2022_State_SIP_Strategy.pdf.

⁴ California Air Resources Board, Final 2022 Scoping Plan Update, Appendix F, pp. 38-39, available at: <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>.

⁵ California Air Resources Board Resolution 26-5, available at: <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2026/res26-5.pdf>. CARB also previewed its new regulatory concept during a public workshop held on December 11, 2025. Slides from that workshop are

1 anticipates conducting a formal rulemaking to develop the regulation followed by a CARB Board
2 hearing in 2027.⁶

3 Given that CARB has not yet finalized a space and water heater appliance standard,
4 WestLight's application did not expressly reference or model either CARB's 2022 SIP's former
5 zero-emission appliance assumption⁷ or the Clean Space and Water Heater Standards concept
6 described in CARB's 2026 SIP Revision. Instead, in light of the regional and statewide policy
7 trajectory, WestLight's testimony, particularly Chapter 1.2, focuses on accelerating
8 decarbonization in its service area through electrification and other program strategies.

9 Although WestLight did not use either the 2022 or 2026 SIP for specific portfolio planning
10 purposes, the earlier 2022 SIP was incorporated elsewhere in the Commission's energy efficiency
11 planning process. When establishing Commission-adopted goals, the 2025 Potential & Goals
12 (P&G) process incorporated an anticipated future CARB Zero Emission Appliance Standard
13 (ZEAS) based on the 2022 SIP and taking effect in 2030.⁸ The Commission uses the P&G process
14 primarily to establish goals for large investor-owned utilities (IOU), and therefore, WestLight's
15 understanding is that CARB's assumption flowed into the IOUs' portfolio planning via goals
16 derived from the P&G process. WestLight, however, is differently situated because it is not
17 required to achieve a TSB goal derived from the P&G process. Therefore, should CARB adopt a
18 final Clean Space and Water Heater regulation in the future, WestLight would address that

available at: https://ww2.arb.ca.gov/sites/default/files/2025-12/December_2025_Workshop_Slides_ADA.pdf. See also California Air Resources Board 2026 State Implementation Plan Revisions for the California Extreme Ozone Nonattainment Areas (Apr. 17, 2026), available at: https://ww2.arb.ca.gov/sites/default/files/2026-04/2026_Extreme_Ozone_SIP_Revision.pdf.

⁶ *Id.*

⁷ WestLight's testimony cites the 2022 Scoping Plan to illustrate the broader state policy direction towards building decarbonization. It does not rely on the Scoping Plan's reference to the SIP appliance standard as a specific 2030 forecasting assumption.

⁸ See D.25-08-034 at 5, fn. 7; 12 (referencing the 2022 SIP)..

1 regulation by updating Commission-approved technical inputs underlying its portfolio. This
2 testimony describes that process below.

3 **2) WestLight's EE Portfolio and Potential CARB Appliance Policy**

4 Should CARB adopt the Clean Space and Water Heater Standards it currently envisions,
5 that regulation would likely be reflected in subsequent Commission-approved technical inputs
6 used in portfolio planning. These changes would be expected to be reflected in measure baselines,
7 forecast and claimable savings, Total System Benefit (TSB), and cost-effectiveness. WestLight
8 would then use the updated Commission-approved values in subsequent forecasts and adjust
9 program delivery or measure mix as appropriate.

10 Existing processes should provide sufficient time for WestLight to incorporate the impacts
11 of a potential Clean Space and Water Heater regulation before it takes effect. D.21-05-031
12 establishes a biennial process for updating technical inputs used in portfolio planning, including
13 the Avoided Cost Calculator (ACC), the Cost-Effectiveness Test Tool (CET), and the Database for
14 Energy Efficient Resources (DEER), and for incorporating those updates into portfolio forecasts
15 through the true-up or mid-cycle advice letter process.⁹ Assuming CARB adopts a final rule in
16 2027, and that rule takes effect in 2030, the Commission would have sufficient time to incorporate
17 the regulation into any applicable Commission-approved technical inputs and make any
18 corresponding updates to the ACC, CET, and DEER that may be necessary. WestLight would then
19 reflect updated Commission-approved inputs in its true-up or mid-cycle advice letter.

20 **B. THIRD-PARTY SOLICITATION SCHEDULE AND TIMELINE**

21 The second question posed in the Ruling is not applicable to WestLight. D.18-01-004
22 approved the third-party solicitation process for energy efficiency programs and applied specific

⁹ D.21-05-031, *Assessment of Energy Efficiency Goals and Modification of Portfolio Approval and Oversight Process* at 35-43; OP 10 (May 20, 2021).

1 requirements to the four IOU PAs. That decision did not create parallel requirements for non-IOU
2 PAs. As a community choice aggregator (CCA) PA, WestLight is therefore not subject to the
3 Commission's formal third-party solicitation requirements. Accordingly, while WestLight intends
4 to contract with third parties to implement programs, WestLight does not maintain a third-party
5 solicitation schedule for 2028-2031 of the type referenced in the Ruling.

6 **V. CONCLUSION**

7 This concludes WestLight's supplemental testimony.