

Docket No.: A.26-03-020 (consolidated in A.26-03-009, *et. al.*)

Exhibit No.: 4

Date: September 30, 2026

Witnesses: Trevor Keith; Lynette O'Neil

CENTRAL CALIFORNIA RURAL REGIONAL ENERGY NETWORK

ENERGY EFFICIENCY

2028-2031 PORTFOLIO PLAN AND 2032-2035 BUSINESS PLAN

EXHIBIT 4 SUPPLEMENTAL TESTIMONY IN RESPONSE TO ALJ RULING



1 **INTRODUCTION**

2 Central California Rural Regional Energy Network (CCR REN) hereby provides
3 Exhibit 4 supplemental testimony consisting of an explanation of changes as well as
4 additional information as directed by the Administrative Law Judge's Ruling filed
5 September 2, 2026 in this proceeding (the Ruling).¹ Exhibit 4 consists of three summary
6 tables documenting changes as directed by Energy Division, as well as responses to the
7 questions in the Ruling.

8 On September 9, 2026, ALJ Valerie Kao issued an email ruling granting a motion
9 for extension of time as requested by Inland Regional Energy Network, extending the
10 final date to submit all information directed in the Ruling from all Business Plan
11 Applicants to September 30, 2026.

¹ *See* A.26-03-009, *et al.*, Administrative Law Judge's Ruling Directing Submission of Corrections and Supplemental Information From All Business Plan Applicants, filed September 2, 2026.

EXHIBIT 4: SUPPLEMENTAL TESTIMONY IN RESPONSE TO ADMINISTRATIVE LAW JUDGE’S RULING DATED SEPTEMBER 2, 2026

A. EXPLANATION OF CHANGES

1. Portfolio Level Impacts Summary Tables

Table 1: Summary of Budget and TSB Impacts

Segment	Original Budget	Revised Budget	Budget % Change	Original TSB	Revised TSB	TSB % Change
2028-2031 Portfolio						
Resource Acquisition	\$103,970,299	\$103,970,299	0.00%	\$202,999,636	\$198,944,315	-2.00%
Market Support	\$24,889,245	\$24,889,245	0.00%	\$0	\$0	0.00%
Equity	\$28,749,009	\$28,749,009	0.00%	\$13,087,459	\$13,115,255	0.21%
EM&V	\$6,810,106	\$6,810,106	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$164,418,660	\$164,418,660	0.00%	\$216,087,094	\$212,059,570	-1.86%
Codes & Standards (C&S)	\$5,833,983	\$5,833,983	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$170,252,643	\$170,252,643	0.00%	\$216,087,094	\$212,059,570	-1.86%
2032-2035 Portfolio						
Resource Acquisition	\$142,660,670	\$142,660,670	0.00%	\$356,231,832	\$350,843,838	-1.51%
Market Support	\$26,243,437	\$26,243,437	0.00%	\$0	\$0	0.00%
Equity	\$57,444,033	\$57,444,033	0.00%	\$31,888,987	\$31,951,916	0.20%
EM&V	\$9,726,862	\$9,726,862	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$236,075,002	\$236,075,002	0.00%	\$388,120,819	\$382,795,754	-1.37%
Codes & Standards (C&S)	\$7,096,551	\$7,096,551	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$243,171,553	\$243,171,553	0.00%	\$388,120,819	\$382,795,754	-1.37%
2028-2035 Total						
Resource Acquisition	\$246,630,968	\$246,630,968	0.00%	\$559,231,468	\$549,788,153	-1.69%
Market Support	\$51,132,682	\$51,132,682	0.00%	\$0	\$0	0.00%
Equity	\$86,193,043	\$86,193,043	0.00%	\$44,976,445	\$45,067,171	0.20%
EM&V	\$16,536,968	\$16,536,968	0.00%	\$0	\$0	0.00%

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Table 1: Summary of Budget and TSB Impacts

Segment	Original Budget	Revised Budget	Budget % Change	Original TSB	Revised TSB	TSB % Change
2028-2035 Total						
Total Portfolio Excluding C&S	\$400,493,661	\$400,493,661	0.00%	\$604,207,913	\$594,855,324	-1.55%
Codes & Standards (C&S)	\$12,930,534	\$12,930,534	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$413,424,196	\$413,424,196	0.00%	\$604,207,913	\$594,855,324	-1.55%

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Table 2: Summary of Cost Effectiveness Impacts

Segment	Original TRC	Revised TRC	TRC % Change	PAC % Change	RIM % Change	SCT-Base % Change	SCT-High % Change
2028-2031 Portfolio							
Resource Acquisition	1.39	1.36	-2.20%	-2.62%	-0.93%	1.85%	2.00%
Market Support	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Equity	0.48	0.48	0.21%	0.21%	0.19%	-2.25%	-2.30%
EM&V	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Total Portfolio Excluding C&S	1.10	1.09	-1.61%	-1.85%	-0.77%	1.29%	1.41%
Codes & Standards (C&S)	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Total Portfolio Including C&S	1.08	1.06	-1.57%	-1.79%	-0.76%	1.26%	1.37%

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

5 2. Overall Change Log

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Table 3: Summary of Testimony Update Locations

Document (Testimony or Excel)	Exhibit	Chapter	Page / Sheet	Table, Figure, or Line Number	Summary of Change
Budget Filing Appendix (Excel)	N/A	N/A	10 – Indicators & Metrics	Rows 11, 18-21, 48-52, 81-85, 96-99, 106, 355-356, 358, 362	Updated to reflect values exported from the reloaded CEDARS filings.

Table 3: Summary of Testimony Update Locations

Document (Testimony or Excel)	Exhibit	Chapter	Page / Sheet	Table, Figure, or Line Number	Summary of Change
Budget Filing Appendix (Excel)	N/A	N/A	11 – Program Card	Rows 10,11, and 13	Column S TSB values were updated, Column U Cost Effectiveness Values were updated, Column Y Near-Term Program Outputs TSB and TRC values were updated.
Budget Filing Appendix (Excel)	N/A	N/A	11 – Program Card	Row 11 and 13	Corrected mislabeled program IDs, SEM (had COM-001) and RES (had WET).
Budget Filing Appendix (Excel)	N/A	N/A	Budget Filing Data	Rows 10-12, 23-25, 36-38, 49-51, 62-64, 75-77, 88-90, 101-103	Column M-X, Z-AF, and AN-AR updated to reflect values exported from the reloaded CEDARS filings
Testimony	1	1	1-4	Lines 21-23	Updated TSB, TRC, and lifecycle customer bill savings values
Testimony	1	1	1-5	Line 1	Updated CO ₂ e and NO _x reduction values
Testimony	1	2	1-35 to 1-36	Table 2, Rows 1-6 and 8-11	Updated 4-year Portfolio Forecast Summary values
Testimony	1	3	1-44 to 1-45	Figure 03-03, Rows 1-3, 10	Updated TSB, \$/TSB, and TRC values
Testimony	1	5	1-94 to 1-95	Figure 05-01, Rows 1 and 4	Updated business plan outcomes including emissions reductions
Testimony	1	5	1-96	Figure 05-02	Updated CO ₂ reductions and TSB outcomes
Testimony	2	N/A	2-4	Rows 2-3	Updated Program TSB and Cost Effectiveness Ratio values
Testimony	2	N/A	2-5	Row 2	Updated TSB and TRC Ratio values
Testimony	2	N/A	2-10	Row 3	Updated Program TSB value
Testimony	2	N/A	2-11	Row 1	Updated PAC Test Ratio value
Testimony	2	N/A	2-12	Row 2	Updated TSB value
Testimony	2	N/A	2-24	Row 2	Updated program TSB value
Testimony	2	N/A	2-25	Row 2	Updated TSB values
Testimony	3	N/A	3-1 to 3-8	N/A	Updated submission date and submitter, added application number, updated values in portfolio budget filing summary

1 **B. RESPONSE TO QUESTIONS SET FORTH IN THE RULING**

2 CCR REN provides its responses below, organized in the order the questions
3 are listed in the Ruling. The qualifications of witnesses have already been provided in
4 Prepared Testimony Appendix A in this proceeding.

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

10 CCR REN RESPONSE (Witness: Trevor Keith)

11 Yes. CCR REN's Business Plan Application (BPA) considered the possibility of
12 future California Air Resources Board (CARB) rules on Clean Space and Water Heater
13 Standards, which CCR REN referred to as the Zero-Emission Appliance Standards.

14 CCR REN's assessment of current and future portfolio adjustments is based on
15 CARB's regulatory approach to clean space and water heater standards, most recently
16 presented in December 2025. CARB's proposed approach allows continued sales of
17 end-use technologies that emit greenhouse gases by combining emissive limits with a
18 credit system. For example, the emissive limit³ for emission-producing water heaters
19 will be 60% in 2030, declining to 50% in 2045 and beyond. This approach means that
20 emitting devices will continue to be sold in California while being strategically phased
21 out over time.

22 CARB's phased implementation acknowledges the challenges manufacturers
23 and consumers are expected to face.⁴ These implementation challenges are directly
24 relevant to the communities CCR REN serves and underscore the need for CCR REN's
25 intervention to support Hard-to-Reach, Underserved, and Disadvantaged communities.
26 Table 4 below aligns identified challenges with conditions in CCR REN's territory.

³ The maximum number of GHG-emitting space and water heaters a manufacturer can sell in California each calendar year. Each equipment type would have its own emissive limit, which would become stricter over time. Manufacturers can also participate in a credit system if they cannot stay within their emissive limit.

⁴ California Air Resources Board, Clean Space and Water Heater Standards, Frequently Asked Questions, <https://ww2.arb.ca.gov/our-work/programs/building-decarbonization/clean-space-and-water-heater-standards/faq> (date accessed 09/19/2026).

Table 4: Alignment of CARB-Identified Challenges with CCR REN Territory

Identified Challenge	Condition	Source
Cold-climate performance	The Eastern Sierra (Mono and Inyo counties) is a high-elevation and cold-climate region with high heating demand.	Dec. 2025 Workshop Slides; Exhibit 1-A, Ch. 2
Electrical panel/service and physical-space retrofit needs	Aging, dispersed, rural buildings may raise retrofit needs and the cost to serve (the “Rural Cost Penalty”).	Dec. 2025 Workshop Slides (Building Retrofit Analysis); Exhibit 1-A, Ch. 2
Affordability, high upfront costs, and retrofit cost burden	CCR REN serves Hard-to-Reach, Underserved, and Disadvantaged Communities where customer affordability and rising utility bills are top concerns.	Dec. 2025 Workshop Slides (Equity Analysis); Exhibit 1-A, Ch. 1 & Ch. 2
Workforce readiness	CCR REN communities have limited access to program support, qualified installers, and technical assistance	Dec. 2025 Workshop Slides; Exhibit 1-A, Ch. 3

CCR REN’s 2028-2035 BPA advances equitable access to the benefits of Clean Space and Water Heating Standards. Table 5 below summarizes key interventions and provides additional targeted outcomes for each. Targeted outcomes expand on what CCR REN’s BPA provided. CCR REN will include final program interventions and expected outcomes in its applicable program Implementation Plans, pending final CARB standards and corresponding CPUC policy direction.

Table 5: CCR REN Clean Space and Water Heating Interventions and Outcomes

Intervention	Source	Outcome
Participant education on zero-emission appliance standards	Exhibit 1-A, Figure 03-04	- Increased awareness of clean space and water heater appliance standards. - Increased knowledge of the costs and benefits of clean space and water heating. - Authorities having jurisdiction are aware of best practices that support the use of clean space and water heating technology.

1 **Table 5: CCR REN Clean Space and Water Heating Interventions and Outcomes**

Intervention	Source	Outcome
Electrification readiness support	Exhibit 1-A, Figure 03-04; Figure 07-10; Exhibit 2-A	• Panel and infrastructure readiness evaluations are provided. • IDSM services support load shifting and shimming to manage utility costs. • WE&T increases local and regional capacity to align to new standards over time.
Access to services and funding	Exhibit 1-A, Figure 07-10; CEDARS Measure Filings	• Collaborate with other programs serving Hard-to-Reach, Underserved, and Disadvantaged communities. • Deliver TSB with fuel substitution measures. • Accelerate replacement and early retirement of natural gas equipment.
Procurement	Exhibit 1-A, pp. 105-106	• Competitive solicitations produce innovative program designs to address new rules. • Program provider contracts require alignment with regulations and portfolio adjustments.

2 When combined, the strategies presented in Table 5 above, coupled with the
3 larger approach presented in the BPA, create an adaptable, place-based model that
4 considers CARB's current regulatory concept while elevating CCR REN's key priorities:

- 5 1. **Access.** Place-based services increase participation rates within Hard-to-Reach,
6 Underserved, and Disadvantaged Communities.
- 7 2. **Affordability.** Net positive benefits are delivered to California ratepayers.
- 8 3. **Customer Bill Savings.** CCR REN participants see measurable utility bill savings.
- 9 4. **Workforce.** Local and regional workforce is trained to drive demand while
10 building capacity and economic resilience.
- 11 5. **Air Quality.** Criteria air pollutants, refrigerants, and climate pollutants are
12 reduced through energy efficiency and beneficial electrification.

CCR REN's BPA does not need to be adjusted to accommodate CARB's proposed rules. Future portfolio adjustments related to CARB's proposed rules will be made in the future True-Up Advice Letter, Mid-Cycle Advice Letter, and 2032-2039 BPA. These adjustments may include, but are not limited to:

- **Rebalanced measure mix and program design.** Program measures, mixes, and delivery approaches, such as application-type measures, will be rebalanced to address changes in baselines, minimum requirements, and associated benefits.
- **Revised program budgets.** CARB recognizes that incentive programs are needed to close affordability gaps.⁵ CCR REN may revise budgets across programs to expand access to the benefits of clean space and water heating technologies in Hard-to-Reach, Underserved, and Disadvantaged communities.
- **Increased electrification-readiness and infrastructure support services.** CCR REN will consider adjusting market support and equity budgets and approaches to address common barriers associated with existing building conditions.⁶ Common barriers include space constraints, infrastructure limitations, and power availability.
- **Workforce Education & Training (WE&T).** CARB acknowledges that the workforce must be prepared for zero-emission heating. CCR REN's WE&T programs will prioritize training to support the increased demand for clean space and water heating installations.⁷

CCR REN's place-based portfolio design, presented in its submitted BPA, is purpose-built for the communities where CARB's transition will be most challenging. As CARB finalizes its rules, CCR REN will make targeted adjustments, timed to minimize program disruption. This approach positions CCR REN to remain responsive to an evolving regulatory landscape while continuing to deliver an equitable, cost-

⁵ December 2025 Workshop Slides (Equity Analysis; the role of incentive programs in closing affordability gaps); Business Plan, Ex. 1, Ch. 1, at 1-4 to 1-5.

⁶ December 2025 Workshop Slides (Building Retrofit Analysis — Electrical Capacity for Space and Water Heating); Business Plan, Ex. 1, Ch. 3, Fig. 03-04, at 1-46 (IDSM and Finance Equity programs).

⁷ Business Plan, Ex. 1, Ch. 3, Fig. 03-04, at 1-46 (Workforce Education & Training program); December 2025 Workshop Slides (public engagement feedback on workforce readiness for zero-emission heating).

1 effective portfolio designed to serve Hard-to-reach, Underserved, and Disadvantaged
2 communities throughout central California.

3 2. Provide a third-party solicitation schedule and timeline from 2028 to 2031. Use
4 the solicitation schedule posted to the California Energy Efficiency Coordinating
5 Committee website, available at [https://www.caeec.org/market-rate-ee-r25-04-](https://www.caeec.org/market-rate-ee-r25-04-101)
6 101, for reference and required fields.

7 CCR REN RESPONSE (Witness: Trevor Keith)

8 Energy Division staff advised CCR REN that this question is not applicable to Regional
9 Energy Network Portfolio Administrators on September 10 during a recurring monthly
10 meeting.