

Proceeding: A.26-03-009 et al.

Exhibit No.: SDREN – 04

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SAN DIEGO REGIONAL ENERGY NETWORK

EXHIBIT 4

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

SUPPLEMENTAL TESTIMONY

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Introduction and Purpose

On September 2, 2026, the California Public Utilities Commission (Commission) issued a Ruling directing all applicants as part of the consolidated 2028-2031 Portfolio Plan and 2028-2035 Business Plan Application (BPA) proceeding to “to submit amended total system benefit and cost-effectiveness values using corrected Avoided Cost Calculator/Cost Effectiveness Test tool inputs; and any non-substantive corrections to program names, values, segments, or other information included in their business plan applications.”¹ That Ruling also directed all applicants to address two additional questions through a supplemental testimony filing.² Subsequently, the Commission’s Energy Division Staff provided applicants with additional guidance as to the form and content of those filings. Pursuant to the September 2, 2026, Ruling and that guidance, this testimony provides details on updates to the San Diego Regional Energy Network’s (SDREN) Application and testimony and provides a response to one of the questions posed in the Ruling.

Updates to Application and Testimony

The following tables set forth the portfolio-level impacts to SDREN’s Application using the corrected Avoided Cost Calculator (ACC)/Cost Effectiveness Test (CET) tool inputs. Specifically, Tables 1-1 and 1-2 provide a summary of budget and Total System Benefit (TSB) impacts and a summary of cost-effectiveness impacts, respectively. Table 1-3 details the locations of changes made within each of the three original exhibits supporting SDREN’s Application.

¹ Application (A.) 26-03-009 et al., *Administrative Law Judge’s Ruling Directing Submission of Corrections and Supplemental Information from all Business Plan Applicants*, p. 2 (Sept. 2, 2026). Note that on September 9, 2026, the Commission granted an extension of time to comply with this Ruling.

² *Id.*

1 Portfolio-Level Impacts Summary

2 Table 1-1 : 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	\$25,087,075	\$25,087,075	0.00%	\$15,577,356	\$16,589,512	6.50%
Market Support	\$56,758,804	\$56,758,804	0.00%	\$13,640,490	\$13,837,199	1.44%
Equity	\$76,558,017	\$76,558,017	0.00%	\$13,128,115	\$13,522,495	3.00%
EM&V	\$6,568,855	\$6,568,855	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$164,972,751	\$164,972,751	0.00%	\$42,345,962	43,949,206	3.79%
Codes & Standards (C&S)	\$10,065,734	\$10,065,734	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$175,038,485	\$175,038,485	0.00%	\$42,345,962	43,949,206	3.79%
2032-2035 Portfolio						
Resource Acquisition	\$29,839,437	\$29,839,437	0.00%	\$17,844,187	\$18,831,130	5.53%
Market Support	\$64,474,651	\$64,474,651	0.00%	\$17,643,191	\$17,925,479	1.60%
Equity	\$86,763,912	\$86,763,912	0.00%	\$16,995,863	\$17,459,171	2.73%
EM&V	\$7,393,304	\$7,393,304	0.00%	\$0	\$0	0.00%
Total Portfolio Excluding C&S	\$188,471,305	\$188,471,305	0.00%	\$52,483,242	\$54,215,781	3.30%
Codes & Standards (C&S)	\$11,329,072	\$11,329,072	0.00%	\$0	\$0	0.00%
Total Portfolio Including C&S	\$199,800,377	\$199,800,377	0.00%	\$52,483,242	\$54,215,781	3.30%

2028-2035 Total						
Resource Acquisition	\$54,926,512	\$54,926,512	0.00%	\$33,421,543	\$35,420,642	5.98%
Market Support	\$121,233,455	\$121,233,45	0.00%	\$31,283,682	\$31,762,678	1.53%
Equity	\$163,321,929	\$163,321,929	0.00%	\$30,123,979	\$30,981,666	2.85%
EM&V	\$13,962,160	\$13,962,160	0.00%	\$0	\$0	\$0
Total Portfolio Excluding C&S	\$353,444,056	\$353,444,056	0.00%	\$94,829,203	\$98,164,986	3.52%
Codes & Standards (C&S)	\$21,394,806	\$21,394,806	0.00%	\$0	\$0	\$0
Total Portfolio Including C&S	\$374,838,862	\$374,838,862	0.00%	\$94,829,203	\$98,164,986	3.52%

- 1 Note: 2032-2035 portfolio forecasts did not include CET calculations and the high-level
- 2 methodology used was not revised based on the small impact to 2028-2031.

3 Table 1-2 : 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	0.53	0.56	6.5%	6.5%	6.5%	-6.7%	-7.5%
Market Support	0.30	0.30	1.9%	1.9%	1.0%	0.3%	0.1%
Equity	0.21	0.21	2.2%	2.2%	1.3%	0.3%	0.2%
EM&V	0.00	0.00	0%	0%	0%	0%	0%
Total Portfolio Excluding C&S	0.28	0.29	3.4%	3.4%	2.2%	-1.7%	-2.0%
Codes & Standards (C&S)	0.00	0.00	0	0	0.00	0	0
Total Portfolio Including C&S	0.27	0.28	3.4%	3.4%	2.2%	-1.7%	-2.1%

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

1 Summary of Testimony Update Locations

2 Table 1-3 : Summary of Testimony Update Locations

Document (<i>Testimony or Excel</i>)	Exhibit	Chapter	Page/Sheet (Clean Version)	Table, Figure, or Line Number	Summary of Change
Testimony	1	2	43	Table 2.4, line 2	Updated forecast summaries for all metrics
Testimony	1	2	105	Line 13	Updated TSB target for MAP program
Testimony	1	5	124	Line 1	Removed superfluous external website link
Testimony	2	Program Cards	4, 9, 13, 20, 51, 57	Tables 1-4, 9-10	Updated TSB
Testimony	2	Program Cards	4, 14, 20	Tables 1,3,4	Updated TRC
Testimony	2	Program Cards	4, 10, 14, 20, 51, 57	Table 1-4, 9,10	Added PAC
Testimony	3	N/A	2 through 9	N/A	CEDARs Filing Receipt
Excel BPA Workbook	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	All fields impacted by CET change, e.g. TSB, TRC, RIM, PAC, CO2e, Electric Benefits, Water-Energy Benefits

Response to ALJ Questions

Question One of the September 2, 2026 Ruling asks:³

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

SDREN's Business Plan Application did not consider the impact of CARB's potential new rules or other regional standards. SDREN primarily did not consider these rules or standards because they are still in development and subject to change. The San Diego County Air Pollution Control District (District) has targeted zero-emission appliances for future rule development but is not as far along in the formal adoption or enforcement process as the Bay Area Air Quality Management District (AQMD) or South Coast AQMD. Currently, the District has officially reserved placeholders for two upcoming rules: zero-emission central furnaces and zero-emission residential water heaters. These are designated as "TBD." Similar to the CARB rules, SDREN did not account for them in its BPA because it would be premature given the lack of certainty around what these rules would look like in the future.

CARB's standards may adopt a phased approach, in which case it is difficult to determine how SDREN may need to adjust its business plan if the proposal is adopted. Furthermore, and especially with the possibility of a phased approach, market transformation resulting from these new rules may not occur within the current or even next BPA cycle.

Additionally, SDREN does not have any gas combustion measures as part of its portfolio and foresees that any rule changes would mostly impact portfolio administrators with portfolios that have gas combustion measures. Even so, SDREN's focus is on providing energy efficiency and electrification services to underserved and hard-to-reach (HTR) customers. Many of these customers will likely require similar offerings to what SDREN provides in the future for several

³ *Id.*

1 possible reasons: assuming rules require 100% of sales to meet zero-greenhouse gas (GHG)
2 emission targets in 2030,⁴ this does not automatically mean that customers will purchase these
3 appliances. Underserved and HTR customers, and others, may favor using current appliances to
4 the end of their useful life due to up-front costs of early replacement. Further, underserved and
5 HTR customers will likely still require incentives offered in SDREN's portfolio to purchase zero
6 emission appliances given up-front costs. Finally, absent continued incentive availability, some
7 customers may elect to purchase used GHG-emitting appliances that remain available despite
8 restrictions on the sale of new equipment. Accordingly, sustained incentive offerings may play
9 an important role in accelerating adoption of zero-emission technologies and reducing reliance
10 on older, less efficient alternatives.

11 This concludes SDREN's supplemental testimony.

⁴ This assumption is based on slides 28-38 of the March 12, 2026, Full California Energy Efficiency Coordinating Committee Quarterly Meeting #49 Slide Deck. Those slides are accessible at: https://www.caeec.org/_files/ugd/849f65_a431e9f0f31b49ad92ed84b660d82c95.pdf.