

# **JUNE FILINGS**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2024-2031  
Energy Efficiency Business Plan and 2024-  
2027 Portfolio Plan. (U 39 M)

Application 22-02-005  
(Filed February 15, 2022)

And Related Matters.

Application 22-03-003  
Application 22-03-004  
Application 22-03-005  
Application 22-03-007  
Application 22-03-008  
Application 22-03-011  
Application 22-03-012  
(Consolidated)

**OPENING COMMENTS OF MARIN CLEAN ENERGY ON PROPOSED DECISION  
AUTHORIZING ENERGY EFFICIENCY PORTFOLIOS FOR 2024-2027 AND  
BUSINESS PLANS FOR 2024-2031**

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**I. Introduction**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”), Marin Clean Energy (“MCE”), respectfully submits these Opening Comments on the *Proposed Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans for 2024-2031* (“Proposed Decision” or “PD”) mailed on May 26, 2023. MCE supports the Commission’s tremendous leadership authorizing meaningful and transformative investments in energy efficiency (“EE”), decarbonization, load

management and energy equity. The Commission outlines a bold, thorough, well-supported pathway for California to progress on its climate and equity goals.

MCE specifically supports:

- The Commission’s approval of *Application of Marin Clean Energy for Approval of 20024-2031 Energy Efficiency Business Plan and 2024-2027 Energy Efficiency Portfolio Plan* (“MCE’s Application”).
- The Commission’s expansion of normalized metered energy consumption (“NMEC”), randomized control trials, strategic energy management, and other meter-based EE programs.<sup>1</sup>
- The Commission’s direction to complete a non-energy benefits (“NEBs”) study for equity segment customers.<sup>2</sup>
- The Commission’s approval of the Rural Regional Energy Network (“R-REN”) proposal filed by the Redwood Coast Energy Authority (“RCEA”).
- The Commission’s prudent refusal to inappropriately redefine “program overlap” and program precedence order rules.<sup>3</sup>
- The Commission’s explicit authorization of the use of potential Inflation Reduction Act (“IRA”) funds in an additive manner that does not dilute cost-effectiveness calculations of EE portfolio programs.<sup>4</sup>

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<sup>1</sup> PD at pp. 38-42.

<sup>2</sup> PD at pp. 33-36.

<sup>3</sup> PD at p. 84 (rejecting Southern California Edison (“SCE”)’s proposal.

<sup>4</sup> PD at p. 71.

- The Commission’s procedural updates to the timing for Joint Cooperation Memorandums (“JCMs”).<sup>5</sup>

While MCE supports the strategic direction of the PD, MCE recommends the following changes to the PD:

- The Commission should maintain successful local programs and refuse to impose a statewide precedence requirement. The Commission should not transition residential multi-family (“MF”) and strategic energy management (“SEM”) programs to statewide administration.<sup>6</sup>
- The Commission should approve funding for MCE’s Peak FLEXmarket program to support grid reliability and demand management. In the alternative, the Commission should clarify MCE may use its unspent summer reliability funds for Peak FLEXmarket on ongoing program administration.
- The Commission should authorize smaller program administrators, like MCE, to expend at least \$1 million dollars annually on Integrated Demand Side Management (“IDSM”) programs.
- The Commission must include IDSM budgets as additive to the final approved portfolio budgets and cost recovery amounts.
- The Commission should issue additional guidance on Market Access Programs (“MAPs”) to remove administrative ambiguities and support program continuity.

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<sup>5</sup> PD at pp. 84-85.

<sup>6</sup> PD at p. 92 (Findings of Fact 7)(referencing statewide administration of residential multi-family and strategic energy management programs).

- The Commission should study how to incorporate NEBs into the Resource Acquisition (“RA”) segment of the EE portfolios.
- The Commission should refine its Demographic Data Survey.
- The Commission should eliminate the duplicative Program Segmentation Justification Template.<sup>7</sup>

MCE offers these recommended changes to the PD in good faith in furtherance of shared goals and to ensure that EE programs are a “foundational element of the Commission’s energy, environmental and social justice policies.”<sup>8</sup> MCE reiterates its strong support and gratitude for the Commission’s approval of its Application. MCE deeply values the Commission’s investment in its programs, and the opportunity to deliver equitable and beneficial programs to ratepayers. MCE warmly awaits further collaboration with the Commission and stakeholders on program administration to ensure meaningful energy savings, decarbonization, and grid reliability.

## **II. The Commission Should Not Impose a New or Vague Precedence Rule for Statewide Programs Over Local Programs**

The PD should remove the determination that “In case of [program] overlap involving a statewide program in the resource acquisition segment, the statewide program should take precedence over other programs.”<sup>9</sup> As a threshold matter, the Commission has not defined “other programs” for the purposes of its new precedence rule in this Decision.<sup>10</sup> Non-statewide administered EE programs, described as “other programs,” have a variety of sub-definitions, use cases and corresponding rules across a host of Commission Decisions.<sup>11</sup> It is unclear from the PD

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<sup>7</sup> PD at pp. 53-54.

<sup>8</sup> PD at p. 2.

<sup>9</sup> PD at p. 83.

<sup>10</sup> PD at p. 83.

<sup>11</sup> See *e.g.*, D.18-01-004; D.23-02-002.



what “other programs” means regarding its proposal on statewide precedence and how that fits in with existing policies.<sup>12</sup>

Further, the Commission needs to be very cautious about expanding statewide programs because there is unequal access for program administrators. The Commission has recognized that, to be cost-effective, MCE needs to be able to serve all customer sectors and be able to overlap with IOU programs.<sup>13</sup> However, the Commission also precluded MCE from funding and receiving savings attribution from statewide programs. As a result, only IOU PAs can benefit from cost-effective statewide program approaches.<sup>14</sup> For these reasons, the Commission may consider directing investor-owned utilities (“IOUs”) to prioritize statewide programs over their own IOU-implemented and third-party implemented programs within their energy efficiency portfolios. However, it is not appropriate to prevent MCE, as a CCA PA serving local communities, that must meet the same cost effectiveness requirements in the Resource Acquisition segment as the utilities, from offering cost-effective programs on a local or regional level.<sup>15</sup>

Most importantly, MCE strongly disagrees with granting vague precedence for statewide programs over “other programs” as there is tremendous, unique value in local programs specifically. Many downstream program models are best implemented on a local or regional level because they require a significant level of tailoring in customer outreach, engagement and coordination, which requires trust and familiarity with the prospective participant pool. Taking a

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<sup>12</sup> PD at p. 83. (The Commission agrees with providing limited additional guidance regarding program precedence...).

<sup>13</sup> D.18-05-041 at pp. 109 -112.

<sup>14</sup> D.18-05-041 at pp. 114-115 (“...we are not convinced that savings attribution should be modified in the manner suggested by MCE. This may be yet another issue with which the Commission will need to grapple in the energy efficiency rulemaking, as more CCAs begin to become energy efficiency PAs.”).

<sup>15</sup> See e.g. D.18-05-041 at pp. 133, 155 (on MCE’s cost-effectiveness requirements).

statewide, cookie-cutter approach to these projects risks leaving participant needs unaddressed and projects uncompleted.

Relatedly, MCE disagrees with the Commission’s factually unsupported assertion that giving precedence to statewide programs “achieve efficiencies[.]”<sup>16</sup> The Commission offers no research, Evaluation, Measurement and Verification (“EM&V”) studies, program performance statistics, or any other justification for this conclusion. Even if administrative efficiencies could be achieved, the Commission overlooks an even more important point – that the programs cannot be implemented, and customers cannot be reached efficiently on a statewide basis as they require close and tailored customer engagement.

In summary, MCE urges the Commission to reject imposing new vague precedence for statewide programs over “other programs.” More specifically, MCE strongly opposes terminating successful local or regional programs implemented by a CCA in favor of a statewide program because most downstream programs are best implemented on a local level and because it would jeopardize a CCA’s ability to offer a cost-effective EE portfolio.<sup>17</sup> If the Commission were to transition existing local programs in the RA segment to a statewide approach, the Commission must provide MCE an opportunity to proportionally fund, and receive the proportional savings for, statewide programs to mitigate the negative cost-effectiveness implications of moving a cost-effective program out of MCE’s portfolio. For these reasons, MCE urges the Commission to reject imposing new precedence for statewide programs over other programs.

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<sup>16</sup> PD at p. 83.

<sup>17</sup> D.18-05-041 at p. 109 (on MCE’s cost-effectiveness requirements).

### **III. The Commission Should Not Transition SEM and Residential Multi-Family Programs to Statewide Administration**

MCE strongly disagrees with the Commission’s unsupported conclusion that SEM and residential MF programs are “good candidates for statewide administration.”<sup>18</sup> MCE disagrees that the Commission demonstrated a sufficient need or justification for transitioning SEM and residential MF programs to a statewide implementation approach. MCE’s experience as a PA of residential MF and SEM programs informs its objection to such a transition. In MCE’s experience, residential MF programs require tremendous local knowledge and trust with the participant to successfully administer because residents and buildings’ needs vary significantly even within its service area alone. SEM and multifamily (“MF”) programs require a tremendous amount of one-on-one contact over long periods of time with customers and a core understanding of a customer’s individual needs and goals. These relationships are best fostered with trusted partners at the local level.

For example, Multifamily properties can have dozens and even hundreds of units that require a detailed, multi-step process for responsive project development including meetings, in-unit assessments, several days of installation and inspection. Each task requires a trusted relationship with an implementer and individual tenants to be successful. Engaging with a known, well-regarded local partner with a hands-on understanding of the unique geographic, demographic, political and social contexts surrounding MF properties supports successful project completion. MCE does not see how a uniform statewide approach could effectively respond to and meet that diversity of local needs. Similarly, from administering SEM programs, MCE observes that many of its cohort participants already had a strong relationship with MCE prior to participating in SEM.

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<sup>18</sup> PD at p. 12.

A statewide administrator would lack the local and preexisting relationships necessary for successful enrollment in SEM programs. The effectiveness of SEM programs also relies on their narrowly tailored design to meet participants' needs. MCE fears a statewide administrator would not possess the local knowledge or integral customer relationships necessary to design programs for maximal benefit. MCE encourages the Commission to review the recently authorized study of non-industrial SEM scoped to identify "characteristics conducive to successful SEM participation"<sup>19</sup> and reconsider prematurely promoting its transition to statewide administration.

Finally, as raised in **Section II**, transitioning SEM programs to statewide administration and granting precedence over non-statewide programs would unfairly limit non-IOU PAs like MCE's ability to offer cost-effective programs and achieve cost-effectiveness across its RA portfolio.<sup>20</sup>

#### **IV. The Commission Should Approve Continued Funding for MCE's Peak FLEXmarket Program to Support Grid Reliability in California**

MCE supports the Commission "encourag[ing] the PAs to incorporate other demand-side management measures besides energy efficiency in their portfolios in an integrated fashion."<sup>21</sup> In that vein, the Commission should approve MCE's funding request in its Application for \$26,280,000 to continue offering MCE's Peak FLEXmarket program under its EE portfolio.<sup>22</sup> Originally authorized by the Commission in Rulemaking ("R.")13-11-005 *Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues*<sup>23</sup> and in

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<sup>19</sup> D.23-02-002 at p. 43.

<sup>20</sup> D.18-05-041 at p. 109 ("As such, MCE is subject to the Commission's cost-effectiveness requirements and other oversight of its proposed energy efficiency business plan portfolio.")

<sup>21</sup> PD at p. 73.

<sup>22</sup> See MCE Application at pp. 19-22; D.21-12-011 at 24, 30.

<sup>23</sup> D.21-12-011 at pp. 30-31.

response to Governor Newsom’s Proclamation of a State of Emergency in the summer of 2021,<sup>24</sup> MCE has successfully administered the Peak FLEXmarket program “to deliver increased load reduction and grid benefits during the summer of 2022 and [in] 2023.”<sup>25</sup> MCE submitted a \$26,280,000 funding request to continue administration of its Peak FLEXmarket program in its portfolio application filing at the direction of D.21-12-011 for program years (“PY”) 2024-2027.<sup>26</sup> Despite MCE following the Commission’s procedural steps to request continued funding for the Peak FLEXmarket program, the PD did not address MCE’s budget request for Peak FLEXmarket.<sup>27</sup>

Grid reliability challenges were not unique to the summers of 2022 and 2023. In fact, Governor Newsom, in partnership with other state agencies, identified “heightened reliability risks” and called for greater state actions on grid reliability in May of 2023.<sup>28</sup> The Commission wisely established programs like Peak FLEXmarket to foster demand response (“DR”), a crucial aspect for demand-side resource to help maintaining a reliable grid. MCE can efficiently and effectively administer this program under its pay-for-performance (“P4P”) model with little risk and great benefit to ratepayers.<sup>29</sup> Furthermore, the Peak FLEXmarket program is a perfect example of an IDSM program, a program model that is being promoted by this PD.

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<sup>24</sup> Executive Department State of California, Emergency Proclamation, July 30, 2021 available at: <https://www.gov.ca.gov/wp-content/uploads/2021/07/Energy-Emergency-Proc-7-30-21.pdf>.

<sup>25</sup> D.21-12-011 at p. 30.

<sup>26</sup> See MCE Application at pp. 19-22; D.21-12-011 at pp. 24, 30.

<sup>27</sup> PD at p. 87.

<sup>28</sup> California Governor Newsom, BUILDING THE ELECTRICITY GRID OF THE FUTURE: CALIFORNIA’S CLEAN ENERGY TRANSITION PLAN, May 25, 2023 available at: <https://www.gov.ca.gov/wp-content/uploads/2023/05/CAEnergyTransitionPlan.pdf> at p. 17.

<sup>29</sup> D.21-12-011 at p. 30 (“As mentioned above, this type of program is very low risk to ratepayers, because it requires measurement of actual energy savings using NMEC methods, payments are based on performance, and program spending is limited by total system benefit achieved.”).

As currently drafted, the PD draws an arbitrary line between allowing daily load-shifting activities under the IDSM programs while disallowing event-based participation of DR resources. MCE fundamentally disagrees with this arbitrary distinction and highlights that the main point of IDSM programs should be to *closer integrate* concepts such as EE and DR as outlined by the Commission.<sup>30</sup> This integration is appropriate as IDSM funding is limited to a small percentage of the overall EE portfolio budget and should hence be used as a “sandbox” for testing out truly innovative program models. This would also give MCE and other PAs the opportunity to continue working on developing the tools and process updates needed to enable future integration of IDSM programs into the EE portfolio (e.g. updating the cost effectiveness tool (“CET”) to allow for the calculation of total system benefits (“TSB”) for non-EE measures).

As uniform tools currently do not exist, MCE agrees that IDSM programs that truly integrate EE (daily load shifting) and DR (event-based participation) cannot be fully integrated into the EE portfolio at this point in time. However, MCE observes that it is both reasonable and feasible to continue administering IDSM programs alongside the EE portfolio and without requiring TSB and cost-effectiveness requirements during PY 2024-2027 due to the continued grid reliability challenges in California. To support the closer integration of EE and DR concepts during the next Application cycle (i.e. PY 2028 - 2031), MCE proposes administering an EM&V study of the Peak FLEXmarket program focused on further metric development, valuation analyses and costs. As an innovator and leader on developing market access programs (“MAPs”) in California based on the FLEXmarket approach,<sup>31</sup> MCE looks forward to continuing to partner with the

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<sup>30</sup> See e.g. D.07-10-032 at pp. 5-6; D.18-05-041 at pp. 35-36.

<sup>31</sup> D.21-12-011 at p. 30.

Commission on sound, effective and efficient ways to support grid reliability within EE portfolio programs.

For these reasons, the Commission should authorize continued funding for MCE's Peak FLEXmarket program through PY 2024-2027 as proposed in its Application at a funding level of \$26,280,000. In the alternative, if the Commission does not approve *new* funding for MCE's Peak FLEXmarket program, MCE requests permission to use its unspent funds already allocated by the Commission for PYs 2022 and 2023 to continue its Peak FLEXmarket program under current program rules through PY 2027.

**V. The Commission Must Authorize Smaller PAs like MCE to Expend a Minimum of \$1 Million of its Portfolio Budget Annually on IDSM Programs**

MCE requests that the Commission increase the budget that smaller PAs like MCE can request for a future IDSM program. A budget of 2.5 percent of MCE's EE funds, as currently proposed in the PD,<sup>32</sup> is not enough to influence the market and support the goals of the IDSM program of shifting loads off peak. Based on a 2.5% budget allocation, MCE's IDSM budget for PYs 2024-2027 would be approximately two million dollars (or \$500,000 per year). This level of funding is prohibitive to offer an IDSM program as it does not give smaller PAs such as MCE enough budget to garner interest in MCE's program from market participants. Additionally, administrative costs would likely outweigh program benefits under such a small program budget.

For these reasons, MCE requests that the Commission establish a minimum floor for IDSM program funding for smaller PAs just like a maximum cap (\$15 Million) was determined for larger PAs. More specifically, MCE recommends that the Commission establish a minimum budget of \$1 Million annually for IDSM programs during PY 2024 – 2027.

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<sup>32</sup> PD at p. 75.

## **VI. The Commission Should Approve IDSM Budgets as Additive to Final Approved Portfolio Budgets and Cost Recovery Amounts**

As stated above in **Section V**, MCE supports the Commission authorizing PAs to spend EE portfolio funds on IDSM programs to support grid reliability.<sup>33</sup> MCE notes that these IDSM program funds are currently not included in approved portfolio budgets and cost recovery amounts outlined in Table 7 of the PD.<sup>34</sup> MCE recommends that IDSM budgets should be additive to approved EE portfolio budgets so that IDSM funding does not supplant funding from other, already approved, EE programs. MCE requests the Commission clarify that IDSM funding is intended to be additive and update approved portfolio budgets and cost recovery amounts in Table 7 of the PD accordingly.

## **VII. The Commission Should Issue Additional Guidance on Market Access Programs**

MCE supports the Commission's determination to continue MAPs in PYs 2024-2027 and agrees with their numerous listed benefits.<sup>35</sup> MCE presently administers and incorporated two MAP programs, MCE's Residential Efficiency Market and Commercial Efficiency Market, into its Application.<sup>36</sup> MCE requests that the Commission issue additional policy guidance on MAP rules to ensure streamlined program implementation, mitigate potential market confusion, eliminate administrative ambiguities, and promote greater transparency of MAP program rules.

Based on its experience successfully designing and administering MAPs under existing summer reliability rules,<sup>37</sup> MCE specifically requests that the Commission clarify that PAs may

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<sup>33</sup> PD at p. 75 ("We also clarify that each PA may expend up to 2.5 percent of its energy efficiency budget or \$15 million, whichever is less, on a pilot basis for ongoing (not event-based) load shifting that reduces peak consumption.").

<sup>34</sup> See PD, section 11, table 7 at p.87.

<sup>35</sup> PD at pp. 71-72.

<sup>36</sup> MCE Application at pp. 15-17.

<sup>37</sup> D.21-12-011.



continue to exclude customer measure costs from the Total Resource Cost (“TRC) test to maintain the programs’ vital support of emergency reliability to the greatest extent possible for PYs 2024-2027.<sup>38</sup> At the same time, MCEs understand that MAPs must meet cost-effectiveness requirements of the RA segment during PYs 2024-2027.

To ensure consistent and transparent application of program rules across future MAPs, MCE requests that the Commission clearly outline the rules regarding customer costs and cost effectiveness requirements for future MAPs in the final Decision. Consistent administration of MAPs will eliminate potential market confusion and ensure continued delivery of grid reliability benefits.

#### **VIII. The Commission Should Study How to Incorporate NEBs into the RA Segment**

MCE strongly supports the Commission studying NEBs especially for the purpose of delivering greater health, safety and comfort benefits to Equity segment customers.<sup>39</sup> The lack of valuation and consideration of NEBs is a key barrier to beneficial investments in environmental and social justice communities.<sup>40</sup> In addition to developing NEBs for use under the Equity segment, MCE also recommends the Commission expand the scope of its proposed study to include more of the Disadvantaged Community Advisory Group’s (“DACAG”) recommendations on the valuation, consideration and incorporation of NEBs into the RA segment. MCE supports the DACAG’s recommendation that the CPUC incorporate NEBs “as a determining factor in

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<sup>38</sup> D.21-12-011 at pp. 11, 24-25 (suspending certain requirements for 2022 and 2023).

<sup>39</sup> PD at p. 34; D.21-05-031 at p. 14 (“may provide corollary benefits such as increased comfort and safety, improved indoor air quality, and more affordable utility bills...”).

<sup>40</sup> California Energy Commission, SB 350 Low-Income Barriers Study, 2016, available at: [https://assets.ctfassets.net/ntcn17ss1ow9/3SqKkJoNIvts2nYVPAOmGH/fe590149c3e39e51593231dc60eeeff/TN214830\\_20161215T184655\\_SB\\_350\\_LowIncome\\_Barriers\\_Study\\_Part\\_A\\_Commission\\_Final\\_Report.pdf](https://assets.ctfassets.net/ntcn17ss1ow9/3SqKkJoNIvts2nYVPAOmGH/fe590149c3e39e51593231dc60eeeff/TN214830_20161215T184655_SB_350_LowIncome_Barriers_Study_Part_A_Commission_Final_Report.pdf), at p. 3.

appropriate cost-effectiveness tests.”<sup>41</sup> The value and importance of NEBs to the EE portfolio programs, while a high priority for the Equity segment especially, is portfolio wide. The Commission should consider information on air quality and health benefits, for example, across program segments. Additionally, Equity segment customers are not barred from participation in RA programs. The Commission and PAs should strive to make all segments more equitable instead of limiting equity reforms to the Equity segment. MCE thus recommends the Commission add studying pathways to consider NEBs in EE portfolio cost-effectiveness tests to the scope of its proposed NEBs study.

#### **IX. The Commission Should Refine the Demographic Information Survey**

MCE strongly supports the Commission’s goal to identify and mitigate demographic disparities in accessing and benefitting from EE portfolio programs. MCE also strongly supports PAs collecting information to achieve this essential goal to remove any disparities in program access and benefits. However, MCE reminds the Commission that any recipient of federal and state funds, in addition to all state programs, must follow related laws on decision-making based on demographic information.<sup>42</sup> MCE looks forward to partnering with the Commission, CAEECC and all stakeholders to achieve this shared goal of equitable EE programs.

#### **X. The Commission Should Eliminate the Program Segmentation Justification Template**

MCE strongly supports transparency and public oversight on the administration, and specifically the segmentation, of EE portfolio programs. However, MCE and all PAs submitted

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<sup>41</sup> Administrative Law Judges’ Ruling Seeking Responses to Specific Questions in Intervenor Testimony, issued August 26, 2022, Attachment 1 at p. 1.

<sup>42</sup> See e.g. Title VI of the 1964 Civil Rights Act section 2000 et seq. (federal funding recipients), California Government Code section 11135 et seq. (“any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.”), Proposition 209.

voluminous documentation, justification, and factual support for its program segmentation proposals in their application filings and throughout this proceeding.<sup>43</sup> Parties, stakeholders and the Commission have had over a year to review program segmentation proposals,<sup>44</sup> ask related questions, request additional documentation, and suggest alternative segmentation approaches. MCE does not see the additional value in presently requiring additional segmentation justifications. MCE does not observe any new scoped questions in the proposed Program Segmentation Justification template or the public interest in requiring them at this stage. The Commission should eliminate this unnecessary and duplicative administrative burden.

## **XI. Conclusion**

MCE thanks Commissioner Shiroma, Administrative Law Judge Fitch, Administrative Law Judge Kao and Energy Division staff for their leadership on this PD and for the opportunity to submit comments. MCE welcomes collaborating with the Commission, program administrators, parties, stakeholders and its service area communities on implementing the Commission's historic and holistic investment in EE programs.

Dated: June 14, 2023.

Respectfully submitted,

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<sup>43</sup> See e.g. MCE Application, Exhibit 2, Chapter 3, Segmentation Strategy.

<sup>44</sup> MCE Application filed March 04, 2022.

**APPENDIX A – RULE 14.3 (B)**  
**OPENING COMMENTS OF MARIN CLEAN ENERGY ON PROPOSED DECISION**  
**AUTHORIZING ENERGY EFFICIENCY PORTFOLIOS FOR 2024-2027 AND**  
**BUSINESS PLANS FOR 2024-2031**

MCE respectfully proposes the following modifications to the Proposed Decision’s Conclusions of Law and Ordering Paragraphs. MCE exclusively included those Conclusions of Law and Ordering Paragraphs in which it proposes changes. MCE includes its proposed changes in red font below and strikes through language to be removed in the Final Decision.

**Findings of Fact**

~~7. The Residential Multi-Family and Strategic Energy Management programs have a great deal of uniformity in design and delivery and are good candidates to study for transition to statewide administration.~~

43. It is reasonable to permit each PA to set aside up to 2.5 percent of their energy efficiency budget or \$15 million, whichever is less, **with a funding floor of \$1 million dollars**, for ongoing **event and daily** load shifting ~~that is not event-based~~. **It is reasonable and consistent with Commission precedence to allow event-based participation under the IDSM programs as it promotes the closer integration of energy efficiency and demand response measures.** IDSM programs that use NMEC Rulebook guidelines should be proposed through Tier 2 advice letters submitted no later than March 15, 2024 for programs to be launched during 2024-2027.

~~45. Statewide programs should take precedence over other programs that may overlap with them in the resource-acquisition segment, because statewide programs are intended to achieve cost efficiencies.~~

**51. MCE’s Peak FLEXmarket program supports California’s grid reliability and demand management.**

**Conclusions of Law**

~~36. It is reasonable to direct PAs to provide explanation of program segmentation for their 2024-2027 portfolios.~~

39. The PAs should work with the CAEECC metrics working groups as well as the Reporting PCG to develop a report addressing the questions in Section 7.7 of this decision related to demographic data **in a manner consistent with controlling federal and state laws.**

**Ordering Paragraphs**

4. San Diego Gas & Electric Company shall lead a study, co-funded by the other investor-owned utility portfolio administrators based on the percentages of the final column of Table 3 of this decision, of residential multi-family programs and strategic energy management programs for

~~evaluation of best administrative and program practices. potential transition to statewide administration.~~ The study shall be included in the applications filed in 2026 for the next four-year energy efficiency portfolio.

7. The budgets for the energy efficiency program portfolio period 2024-2027 are approved in **an updated** Table 7 of this decision. The investor-owned utility portfolio administrators may collect and distribute the funds not to exceed the four-year total included in Table 9 of this decision for the portfolio period 2024-2027.

19. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company (collectively, the IOUs) shall, with input from a stakeholder working group and oversight by Energy Division staff, conduct a non-energy benefits study to update and improve quantification of non-energy benefits as an indicator for equity segment program performance **and resource acquisition segment performance**. The IOUs may expend up to \$500,000 of evaluation, measurement and verification funds for this study.

~~23. Portfolio administrators shall complete and submit the Program Segmentation Justification, included in Attachment A, as a functional Excel spreadsheet in the California Energy Data and Reporting System “Documents” page alongside their Quarter 2 2024 Quarterly Claims reports.~~

28. By no later than July 1, 2024, the investor-owned utility portfolio administrators (PAs) and Marin Clean Energy shall make available Market Access Program (MAP) approaches for residential and commercial downstream opportunities in their territories. **PAs may continue to exclude customer measure costs from its Total Resource Cost (“TRC”) test to ensure program continuity and success.** These PAs shall also describe, in their MAP Implementation Plans, how their MAP offerings interact with the rest of their portfolios, such that third-party program implementers operating downstream retrofit programs are aware of the possible impacts of customers participating in MAP offerings. If applicable, the description of the role of the MAP in the portfolio shall also be included in any third-party advice letter submissions.

31. Portfolio administrators (PAs) may set aside no more than 2.5 percent or \$15 million (for each PA), whichever is less, **and/or a minimum of \$4 million**, of their total budgets during 2024-2027 approved in this decision to fund innovative integrated demand-side (IDSM) projects, including ongoing load-shifting that is not event based. Energy efficiency funding shall not be used for rebating capital costs of non-efficiency technologies. **Energy efficiency funding shall not be used for rebating capital costs of non-efficiency technologies.**

~~34. Statewide programs shall take precedence over other programs that may overlap with them in the resource acquisition segment.~~

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2024-2031  
Energy Efficiency Business Plan and 2024-  
2027 Portfolio Plan. (U 39 M)

Application 22-02-005  
(Filed February 15, 2022)

And Related Matters.

Application 22-03-003  
Application 22-03-004  
Application 22-03-005  
Application 22-03-007  
Application 22-03-008  
Application 22-03-011  
Application 22-03-012  
(Consolidated)

**REPLY COMMENTS OF MARIN CLEAN ENERGY ON PROPOSED DECISION  
AUTHORIZING ENERGY EFFICIENCY PORTFOLIOS FOR 2024-2027 AND  
BUSINESS PLANS FOR 2024-2031**

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June 22, 2023

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
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Application of Pacific Gas and Electric Company for Approval of 2024-2031 Energy Efficiency Business Plan and 2024-2027 Portfolio Plan. (U 39 M)

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**REPLY COMMENTS OF MARIN CLEAN ENERGY ON PROPOSED DECISION  
AUTHORIZING ENERGY EFFICIENCY PORTFOLIOS FOR 2024-2027 AND  
BUSINESS PLANS FOR 2024-2031**

**I. Introduction**

Pursuant to Rule 14.3(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”) and *Email Ruling Marin Clean Energy Rule 11.6 Motion for Extension Time Request* dated June 7th, 2023, Marin Clean Energy (“MCE”), respectfully submits these Reply Comments on parties’ Opening Comments on the *Proposed Decision Authorizing Energy Efficiency Portfolios for 2024-2027 and Business Plans for 2024-2031* (“Proposed Decision” or “PD”) due June 15th, 2023. MCE thanks the Commission and Administrative Law Judge Fitch and Administrative Law Judge Kao for the opportunity to submit this Reply.



## **II. The Commission Must Postpone Any Potential Transition of Programs to Statewide Administration Until after Completing, and Parties Evaluating, the Assessment of Statewide Programs**

The majority of parties oppose the Commission’s proposed transition of multiple existing programs to statewide administration.<sup>1</sup> MCE agrees with parties that local and regional administration of programs is an essential component of program performance, success and efficiencies for many downstream energy efficiency (“EE”) programs.<sup>2</sup> MCE further agrees with parties that transitioning some local and regional programs to statewide administration may have the unintended consequences of adding greater complexity, greater administrative burdens and challenges for customers.<sup>3</sup> As such, MCE also agrees with party comments that any program transition to statewide administration should be thoughtfully considered, justified, supported by factual evidence and include a public process for stakeholder input.<sup>4</sup> As stated in its Opening Comments, MCE specifically agrees with parties’ opposition to transitioning residential multi-family (“MF”) and Strategic Energy Management (“SEM”) programs to statewide administration.<sup>5</sup> Residential MF and SEM programs lack of “uniform characteristics”<sup>6</sup> means their potential

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<sup>1</sup> Opening Comments of SoCalGas on PD at p. 4; Opening Comments of SoCalREN on PD at p. 3; Opening Comments of CEDMC on PD at p. 6; Opening Comments of BayREN & 3C-REN on PD at p. 3; Opening Comments of PG&E on PD at p. 1; Opening Comments of SCE on PD at p. 3; Opening Comments of SDG&E on PD at p. 6.

<sup>2</sup> *See e.g.* Opening Comments of PG&E on PD at p. 2 (“PG&E has found that local administration and integration with other utility customer communications and functions are key to its residential behavior programs’ success.”); Opening Comments of SoCalGas on PD at p. 3 (“Conversion to statewide administration may result in unintended consequences by increasing costs and administrative complications.”); Opening Comments of CEDMC on PD at p. 7.

<sup>3</sup> Opening Comments of SoCalGas on PD at p. 6; Opening Comments of CEDMC on PD at pp. 6-7.

<sup>4</sup> Opening Comments of SoCalGas on PD at p. 6; Opening Comments of PG&E on PD at p. 1; Opening Comments of CEDMC on PD at p. 7.

<sup>5</sup> Opening Comments of MCE on PD at p. 7; Opening Comments of CEDMC on PD at pp. 7-8; Opening Comments of BayREN & 3C-REN on PD at p. 3.

<sup>6</sup> Opening Comments of BayREN & 3C-REN on PD at p. 3.

transition to statewide administration “will lead to unnecessary and detrimental programmatic consolidation where those programs actually benefit from remaining regional.”<sup>7</sup>

MCE supports the utilities’ logical recommendation to postpone any transition of programs to statewide administration until after the Commission completes, and parties evaluate, the assessment of statewide programs as proposed in Ordering Paragraph (“OP”) 3 of the PD.<sup>8</sup> The Commission’s statewide program assessment<sup>9</sup> should analyze both the successes and challenges of *existing* statewide programs, and holistically review which existing “other” programs may be appropriate for statewide administration based on a variety of factors including, but not limited to, program performance, customer engagement methods, and administrative burdens. Following this holistic assessment, the Commission and parties can discuss more appropriately if any existing programs would benefit from statewide administration in the 2026 EE portfolio applications.

### **III. The Commission Should Incorporate MF and SEM Programs into A Holistic Statewide Program Assessment**

This holistic assessment of the potential benefits of statewide program administration described above would also eliminate the need for a separate statewide administration study for the residential MF and SEM programs.<sup>10</sup> MCE recommends deleting the requirement for a MF and SEM statewide study as proposed in OP 4 of the PD and include any necessary analysis in the holistic assessment of statewide programs discussed above.

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<sup>7</sup> Opening Comments of CEDMC on PD at p. 7.

<sup>8</sup> Opening Comments of PG&E on PD at pp. 1-2; Opening Comments of SoCalGas on PD at p. 7.

<sup>9</sup> PD at p. 103 (OP 3).

<sup>10</sup> *Id.* (OP 4).

#### **IV. The Commission Should Not Consider the California Energy Commission's Equitable Building Decarbonization Program a Statewide Program**

MCE strongly disagrees with the Public Advocates Office (“Cal Advocates”) vague and inappropriate request for the Commission to consider the California Energy Commission’s (“CEC”) Equitable Building Decarbonization (“EBD”) program a statewide ratepayer EE portfolio program with “prioritization over other overlapping non-statewide EE programs in the resource acquisition and equity segments.”<sup>11</sup> MCE supports layering complementary programs to deliver greater benefits to ratepayers and judiciously using ratepayer funds. However, creating a precedence requirement for the EBD program is inappropriate as it has distinct, equity-specific statutory goals and the CPUC has no legal authority over this CEC- administered program. The CEC is presently creating its own rules to administer this program through an active rulemaking that focuses on *regional* and not statewide administration to deliver greater equitable outcomes.<sup>12</sup> Additionally, the CEC is also actively collecting public comments on its own rules and restrictions for layering complementary funds with EBD program funds.<sup>13</sup> Without final program rules, no party or EE program administrator (“PA”) can credibly predict if they will even be eligible to use those hypothetical funds prior to using EE portfolio funds. PAs already automatically return any unspent portfolio funds. Should EBD funding and EE ratepayer funds be eligible for the same measure in the future, PAs already have a mechanism to save unspent funds. MCE is actively participating in the EBD rulemaking and looks forward to working with the Commission to support coherent and statutorily compliant layering of EE portfolio programs.

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<sup>11</sup> Opening Comments of Cal Advocates on PD at pp. 2-4.

<sup>12</sup> CEC, 22-DECARB-03, Equitable Building Decarbonization Direct Install Program Draft Guidelines at pp. 5-6.

<sup>13</sup> *Id.* at p. 18.

**V. The Commission Should Continue to Exempt Potential Inflation Reduction Act Funds from Cost-Effectiveness Calculations**

MCE supports the Commission’s permission to use potential Inflation Reduction Act (“IRA) funds in a Market Access Program (“MAP”) “without impacting the cost-effectiveness calculations of the program.”<sup>14</sup> MCE understands parties may have questions on precisely how the integration of these funds could functionally work.<sup>15</sup> Since any PA’s access to IRA funds are hypothetical and their corresponding restrictions from the federal government are presently unknown, MCE recommends PAs work together with Energy Division staff to operationalize any needed next steps. To the extent that further discussions may be beneficial, MCE recommends the Commission host them in the general EE Rulemaking (R.13-11-005) when more information is available.

**VI. Conclusion**

MCE eagerly awaits successfully implementing its EE portfolio programs approved by the Commission in partnership with Energy Division staff, MCE service communities and stakeholders. MCE expresses continued gratitude for the Commission’s bold and reasoned investments in EE, decarbonization, equity and grid reliability.

Respectfully submitted,

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Dated: June 22, 2023.

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<sup>14</sup> PD at p. 71.

<sup>15</sup> Opening Comments of PG&E on PD at p. 13.

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement  
Assembly Bill 843 – the Bioenergy Market  
Adjusting Tariff Program.

R.22-10-010

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION’S REPLY COMMENTS ON  
ADMINISTRATIVE LAW JUDGE’S RULING REQUESTING PARTY COMMENTS  
ON WORKSHOP QUESTIONS AND MODIFYING PROCEDURAL SCHEDULE**

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June 29, 2023

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## SUMMARY OF RECOMMENDATIONS

The California Community Choice Association (CalCCA) recommends that the California Public Utilities Commission (Commission):

- Reject the proposals of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the Joint Investor-Owned Utilities (IOUs)) to allocate available Bioenergy Market Adjusting Tariff (BioMAT) program capacity based on community choice aggregator (CCA) load share, and to have the CCAs manage their own queues. Instead, the full BioMAT capacity allocations for each BioMAT period should remain available to both the IOUs and CCAs, and CCAs operating within the IOU territory should submit their projects to the IOU queue;
- Adopt the Joint IOUs' alternative proposal to have an independent third party manage the IOU/CCA queue in each IOU service territory through the Accion platform, with costs for the independent third party and Accion recovered by IOUs and CCAs through the public purpose program (PPP) charge;
- Reject The Public Advocates Office at the California Public Utilities Commission's (Cal Advocates') request to require all CCA BioMAT related filings to be submitted in the Renewables Portfolio Standard (RPS) proceeding, and instead apply the same filing rules to CCAs as is required of IOUs;
- Reject the Joint IOUs' statement that Commission BioMAT oversight of CCAs is needed because the CCAs lack any incentive to prevent disallowances. The CCAs have every incentive to prevent mismanagement of their contracts and subsequent disallowances;
- Reject the Joint IOUs' argument that CCAs not be permitted to recover CCA administrative and systems costs for their BioMAT power purchase agreements (PPAs);
- Adopt the Joint IOUs' proposal that CCA program administrators file quarterly reports instead of advice letters to report new BioMAT PPAs to the Commission; and
- Allow all load serving entities to at a minimum receive their load share equivalent credit for BioMAT resources for mid-term reliability and Integrated Resource Planning requirements.

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement  
Assembly Bill 843 – the Bioenergy Market  
Adjusting Tariff Program.

R.22-10-010

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION’S REPLY COMMENTS ON  
ADMINISTRATIVE LAW JUDGE’S RULING REQUESTING PARTY COMMENTS  
ON WORKSHOP QUESTIONS AND MODIFYING PROCEDURAL SCHEDULE**

California Community Choice Association<sup>1</sup> (CalCCA) submits these reply comments in response to the *Administrative Law Judge’s Ruling Requesting Party Comments on Workshop Questions and Modifying Procedural Schedule*<sup>2</sup> (Ruling), dated May 25, 2023, seeking party comments on questions arising from the April 28, 2023, workshop to discuss implementation of Assembly Bill (AB) 843 (Stats. 2021, Ch. 234).

**I. INTRODUCTION**

CalCCA appreciates the opportunity to reply to party Opening Comments on the Ruling. As CalCCA noted in its Opening Comments, community choice aggregators (CCAs) seek to not “reinvent the wheel” through the California Public Utilities Commission (Commission’s)

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<sup>1</sup> California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Energy For Palmdale’s Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

<sup>2</sup> *Administrative Law Judge’s Ruling Requesting Party Comments On Workshop Questions and Modifying Procedural Schedule*, Rulemaking (R.) 22-10-010 (May 25, 2023): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M509/K544/509544258.PDF>.



implementation of AB 843.<sup>3</sup> The CCAs also seek to be incorporated into the Bioenergy Market Adjusting Tariff (BioMAT) program with equivalent rules and oversight as is currently applied to the investor-owned utilities (IOUs), with minimal changes to the existing program.<sup>4</sup>

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDGE) (collectively, the Joint IOUs) and The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) are adamant that the program should not be overhauled to incorporate CCAs, and that CCAs should be subject to the same rules as the IOUs. However, in their Opening Comments, the Joint IOUs and Cal Advocates seek additional changes to the program to suit their needs to the detriment of the CCAs. Specifically, the Joint IOUs seek to carve out capacity allocations for CCAs based on load share and require CCAs to manage their own queues separate from the IOUs, which will unnecessarily limit the potential contracting opportunities in the BioMAT program. Cal Advocates seeks to have all CCA BioMAT submissions filed in the Renewables Portfolio Standard (RPS) proceeding, in a methodology different than what is required of the IOUs.

Instead of placing additional restrictions on CCAs, the Commission should instead focus on incorporating the CCAs into the current BioMAT program, including applying the same rules established for the IOUs to CCAs, and all in a streamlined manner. CalCCA therefore recommends that the Commission:

- Reject the Joint IOUs' proposals to allocate available BioMAT program capacity based on CCA load share, and to have the CCAs manage their own queues. Instead, the full BioMAT capacity allocations for each BioMAT period should remain available to both the IOUs and CCAs, and CCAs operating within the IOU territory should submit their projects to the IOU queue;
- Adopt the Joint IOUs' alternative proposal to have an independent third party manage the combined IOU/CCA queue in each IOU service territory through the

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<sup>3</sup> CalCCA Opening Comments at 2; Public Utilities Code § 366.20.

<sup>4</sup> CalCCA Opening Comments at 2.

Accion platform, with costs for the independent third party and Accion recovered by IOUs and CCAs through the public purpose program (PPP) charge;

- Reject Cal Advocates' request to require all CCA BioMAT related filings to be submitted in the RPS proceeding, and instead apply the same filing rules to CCAs as is required of IOUs;
- Reject the Joint IOUs' statement that Commission BioMAT oversight of CCAs is needed because the CCAs lack any incentive to prevent disallowances. The CCAs have every incentive to prevent mismanagement of their contracts and subsequent disallowances;
- Reject the Joint IOUs' argument that CCAs not be permitted to recover CCA administrative and systems costs for their BioMAT Power Purchase Agreements (PPAs);
- Adopt the Joint IOUs' proposal that CCA program administrators file quarterly reports instead of advice letters to report new BioMAT PPAs to the Commission; and
- Allow all load serving entities (LSEs) to at a minimum receive their load share equivalent credit for BioMAT resources for mid-term reliability (MTR) and Integrated Resource Planning (IRP) requirements.

## **II. THE COMMISSION SHOULD REJECT THE JOINT IOUS' PROPOSALS TO ALLOCATE AVAILABLE BIOMAT PROGRAM CAPACITY BASED ON CCA LOAD SHARE AND TO HAVE CCAS MANAGE THEIR OWN QUEUES**

The Commission should reject the recommendation by the Joint IOUs that each CCA be allocated a program procurement target equal to that CCA's share of the load in the IOU's respective service area.<sup>5</sup> The Commission should also reject the Joint IOU proposal for each CCA to then manage its own BioMAT queue through its own Accion BioMAT program website.<sup>6</sup> CalCCA acknowledges the change to the program by including CCAs, given that a BioMAT project can be located in both an IOU's electric service territory and a CCA's service area, and can therefore applications for a project can be submitted to either entity.<sup>7</sup> However, the

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<sup>5</sup> See Joint IOU Opening Comments at 6.

<sup>6</sup> See *id.* at 5.

<sup>7</sup> See *id.* at 5-6.

Joint IOUs concerns regarding a potential “conflict of interest” or confidentiality are misguided and can be managed through tariff rules and the Accion platform.

First, the Joint IOUs’ recommendation that CCAs be allocated a program procurement target equal to that CCA’s share of the load in the IOU’s respective service area should be rejected. The Joint IOUs’ proposal would hamstring the CCAs’ ability to contract for the substantial remaining capacity (202.5 MW out of the total 250 MW capacity allocation) in the BioMAT program for which the IOUs have failed to contract over the past nine years. For example, based on our estimate, one of the smaller CCAs with a relatively small load share in PG&E’s service territory would be eligible to contract for less than 1 MW of contracts total despite that CCA having access to contract with several BioMAT projects. Given the IOUs failure to contract for the bulk of the BioMAT program capacity allocation, limiting the CCAs’ ability to contract with BioMAT projects is contrary to the goals of the program to “promote competition for entrants to the bioenergy market....”<sup>8</sup>

Instead, the Commission should adopt CalCCA’s proposal (as set forth in CalCCA’s Opening Comments) to retain the existing IOU queues, and to establish systems to ensure confidentiality of IOU and CCA project program participation requests (PPRs). CalCCA proposes that these systems be established through the Accion platform, which can ensure project applicants within an IOU’s service territory have access to both IOU and CCA platform sites to submit PPRs. Accion can establish one website to which both the IOU and CCA websites can link, and the main page can have a dropdown option with all LSEs within the IOU’s service territory (including the IOU and any participating CCAs). The applicant can choose the LSE for

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<sup>8</sup> *Order Instituting Rulemaking to Implement Assembly Bill 843 – the Bioenergy Market Adjusting Tariff Program*, R.22-10-010 (Oct. 26, 2022), at 3: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M509/K544/509544258.PDF>.

which it seeks to contract, which will direct the applicant to that LSE's specific Accion page.

Any submissions to that page will be firewalled off from the other LSEs (including the IOU) to maintain confidentiality of submissions.

### **III. THE JOINT IOUS' ALTERNATIVE PROPOSAL TO HAVE AN INDEPENDENT THIRD PARTY MANAGE THE QUEUE IN EACH IOU SERVICE TERRITORY SHOULD BE ADOPTED**

The Joint IOUs propose as an alternative to allocating capacity to CCAs and CCAs managing their own queues, in which an independent third party will manage the overall queue in each IOU service territory. While CalCCA proposed a methodology in its Opening Comments to have the IOUs manage the queues in their service territories, CalCCA recommends that the Commission adopt the Joint IOUs' proposal to have an independent third party manage the queue. CalCCA agrees with the Joint IOUs that an independent third party can manage the queue, notifying the IOU or CCA that it can award contracts based on queue order in each period until the capacity targets for that period are exhausted. CalCCA recommends, however, that both the IOUs and participating CCAs retain authority to review and approve PPAs as complete. In other words, the independent third party will receive notification from an IOU or CCA that a PPR is complete and immediately place that project in the queue. The independent third party then only has the authority to notify the IOU or CCAs during a particular period that their applicant can be offered a PPA according to the rules in the tariffs (which as CalCCA proposed should be substantially identical for IOUs and CCAs (only changed for procedural reasons to enable incorporating CCAs)). Finally, CalCCA agrees with the Joint IOUs that all costs for the Accion system and the independent third party should be approved by the Commission and recovered through the IOU Public Purpose Program Adjustment Mechanisms.<sup>9</sup>

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<sup>9</sup> Joint IOU Opening Comments at 6.

#### **IV. CAL ADVOCATES' REQUEST TO REQUIRE ALL CCA BIOMAT RELATED FILINGS TO BE SUBMITTED IN THE RPS PROCEEDING SHOULD BE REJECTED**

Cal Advocates' proposal that the CCAs file their tariff, standard PPAs, and "all other required BioMAT filings" in the Commission's RPS proceeding is misplaced and contradictory to its argument that CCAs be "subject . . . to the same rules and requirements that govern the [IOUs]." <sup>10</sup> Instead, all filings necessary to implement AB 843 (including any CCA pro forma tariffs, PPAs, and ancillary documents) should be submitted in this rulemaking, while ongoing filings should be submitted either by Advice Letter or Application as determined by the Commission, with service to the RPS service list as is required of the IOUs.

First, Cal Advocates seeks to have one proceeding (the RPS proceeding) in which BioMAT issues are considered "holistically," to prevent the Commission and stakeholders from having to address each individual CCA filing in separate proceedings. <sup>11</sup> The Commission can then issue a "single decision or fewer decisions disposing of numerous related CCA filings rather than having to issue separate dispositions for numerous individual filings." <sup>12</sup> Cal Advocates' proposal misses the mark. By assuming that the CCA filings need to be "filed" in the actual RPS proceeding, Cal Advocates is requesting a procedure that departs from the current procedure required of the IOUs. As set forth in CalCCA's Opening Comments, the IOUs file for cost recovery through their Energy Resource Recovery Account (ERRA) Forecast Applications, and for a finding of prudent contract management in the ERRA Compliance Applications. CalCCA and the Joint IOUs have aligned on a streamlined process for CCA cost recovery through Tier 3 Advice Letters that will allow the IOUs to fold the Commission approved CCA cost

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<sup>10</sup> Cal Advocates Opening Comments at 1.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.*

recovery/true-ups into their ERRA Forecast Applications. CalCCA and the Joint IOUs have similarly aligned on each individual CCA filing a Rule 2 Application for Commission review of BioMAT contract administration. Each CCA participating in BioMAT are separate entities, with separate BioMAT contracts, balancing accounts, workpapers, and staff for contract management. Consolidating the CCA BioMAT cost recovery or contract oversight will be like consolidating all three IOUs cost recovery/contract oversight into one filing. While Cal Advocates may be trying to simplify these processes by having the filings in the RPS proceeding, diverging from the current processes applicable to the IOUs, or from the process agreed upon by CalCCA and the Joint IOUs for CCA BioMAT participation, is inconsistent with the IOU processes and not workable. In addition, like the IOUs, the CCAs will send any filings related to the BioMAT program to the RPS service list, and therefore all BioMAT stakeholders will receive adequate notice of such filings.

In addition, Cal Advocates requests that the Commission order the CCAs to (1) file and serve a “notice of intent” to participate in the BioMAT program in this and the RPS proceedings 30 days after the issuance of the final decision, and (2) file their proposed tariffs and standard PPAS in the RPS proceeding 90 days after issuance of the final decision. Cal Advocates argues that this requirement will be consistent with the deadlines set in Decision (D.) 20-08-043 for the IOUs in the RPS proceeding to file revisions to their existing BioMAT documents. Cal Advocates therefore implies that the failure of a CCA to file the notice of intent and tariff/PPA within those deadlines will prevent a CCA from participating in the BioMAT program. What Cal Advocates fails to mention, however, is that the legislature required the IOUs to file tariffs to offer BioMAT contracts (“[e]very electrical corporation shall file the commission a standard

tariff for electricity purchased from [a bioenergy electric generation facility]”),<sup>13</sup> while it explicitly allows CCAs to participate if they so choose (“[a] [CCA] may submit eligible bioenergy projects to the commission for cost recovery if open capacity exists . . . and the [CCA] submits an eligible tariff to the Commission. . . .”).<sup>14</sup> The Commission should not set a deadline for individual CCAs to participate in the BioMAT program – instead, the Commission should approve the pro forma tariff, PPA, and ancillary documents submitted by the CCAs. When a CCA chooses to participate in the BioMAT program, the Commission should review an individual CCA’s implementation plan, and adopt the CCA’s tariff, PPA, and ancillary documents conforming to those previously approved by the Commission.

**V. THE JOINT IOUS’ FLAWED SUGGESTION THAT CCAS LACK INCENTIVE TO PREVENT DISALLOWANCES IS INAPPROPRIATE AND UNNECESSARY GIVEN THE CCAS’ AND IOUS’ AGREEMENT FOR CCA RULE 2 APPLICATIONS TO ENSURE EQUIVALENT COMMISSION OVERSIGHT**

The Commission should ignore the inflammatory statements by the Joint IOUs regarding the “troubling difference between the IOU and CCA program administration that bolsters the need for the [Commissions’] ongoing, robust review of the CCAs’ BioMAT program administration for prudence and compliance through formal proceedings.”<sup>15</sup> The Joint IOUs “observe that the [Commission] may not be able to restrict the CCA from recovering disallowances in their CCA customers’ generation rates because the [Commission] does not have ratemaking jurisdiction over CCAs.”<sup>16</sup> What is actually “troubling” about these statements is that CalCCA sought and received alignment with the IOUs on oversight of CCAs for the BioMAT program, agreeing that CCAs should seek cost recovery through Tier 3 Advice Letters when

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<sup>13</sup> Pub. Util. Code § 399.20(c) (emphasis added).

<sup>14</sup> *Id.* § 399.20(f)(5)(A) (emphasis added).

<sup>15</sup> Joint IOU Opening Comments at 15, n.9.

<sup>16</sup> *Id.*

CalCCA actually believes that the Energy Division’s review through Tier 2 Advice Letters of CCA budget and true up proposals is sufficient. Similarly, CalCCA agreed to the IOUs’ insistence that the CCAs seek prudence review through the Rule 2 Application process, rather than an Advice Letter process, despite the relatively minimal information necessary to establish prudent contract administration for the BioMAT contracts.

In addition, why the Joint IOUs now insinuate that CCAs have no incentive to avoid disallowances is unclear. While the Commission does not have jurisdiction over CCA generation rates, a CCA as a non-profit will always avoid mismanagement and losses that can negatively impact its business and require CCAs to dip into reserves or raise its rates. In fact, CCAs, unlike IOUs, have no shareholders, and will not be able to recover losses. CCAs compete against the IOUs, and always seek to keep rates as low as possible for customers. The Joint IOUs’ inflammatory language should therefore be rejected and ignored.

**VI. THE COMMISSION SHOULD REJECT THE JOINT IOUS’ ARGUMENT THAT CCAS NOT BE PERMITTED TO RECOVER BIOMAT ADMINISTRATIVE AND/OR SYSTEMS COSTS**

The Joint IOUs’ argument that CCA BioMAT program administrative and/or system costs should be the responsibility of the individual CCA administering the program, “as is the case with the IOUs,”<sup>17</sup> should be rejected. As set forth above, the Joint IOUs appear to agree with CalCCA that both Accion and independent third-party administrator costs should be recoverable through the IOU Public Purpose Program Charge (PPPC). However, the IOUs argue that administrative and system costs of the individual CCA are not recoverable through the PPPC. The IOUs’ assertion that they don’t recover any of these costs is misleading, as it is CalCCA’s understanding that they do recover their overall administrative/system costs through

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<sup>17</sup> *Id.* at 17.



their General Rate Cases (GRC). Those GRC costs that are related to IOU electric procurement functions are then allocated through the ERRRA proceeding to bundled load and “all benefiting customers” for procurement on behalf of all customers in the utility area.<sup>18</sup> Given that CCAs do not have a GRC or anywhere else that they seek recovery of such costs at the Commission, CCAs should be able to seek recovery of such costs through their budget applications in their yearly BioMAT Advice Letter filing for cost recovery.

**VII. THE COMMISSION SHOULD ADOPT THE JOINT IOUS’ PROPOSAL THAT CCA PROGRAM ADMINISTRATORS FILE QUARTERLY REPORTS INSTEAD OF ADVICE LETTERS TO REPORT NEW PPAS**

The Commission should adopt the Joint IOUs’ proposal that CCA program administrators be directed to file quarterly reports listing new CCA BioMAT PPAs (that conform to the Commission-approved pro forma), rather than file via advice letter. This quarterly report methodology will conform to the current practice of the IOUs, and streamline the process.

**VIII. ALL LSES SHOULD AT A MINIMUM RECEIVE THEIR LOAD SHARE CREDIT FOR BIOMAT RESOURCES FOR MID-TERM RELIABILITY AND OTHER IRP PROCUREMENT REQUIREMENTS**

The Commission should, at a minimum, allow CCAs to claim a load share credit of all BioMAT resources, including those the particular CCA brings online through the BioMAT program, toward their IRP procurement requirements. These IRP requirements include those set forth in the MTR decision, D.21-06-035. While CalCCA asserted in its Opening Comments that CCAs with a BioMAT contract intend to claim the contract toward their individual MTR requirements, Commission IRP staff have recently indicated that given that all customers are charged for procurement, an LSE should not receive individual MTR credit for that resource.

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<sup>18</sup> This would include Cost Allocation Mechanism procurement as well as programs like BioMAT.

CalCCA asserts that at a minimum, an LSE should receive its load share credit towards MTR for the BioMAT resources that are paid by all benefitting customers.

**IX. CONCLUSION**

For all the foregoing reasons, CalCCA respectfully requests consideration of its proposals to incorporate CCAs into the BioMAT program and looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,



Evelyn Kahl,  
General Counsel and Director of Policy  
CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION

June 29, 2023



June 30, 2023

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**RE: Marin Clean Energy on the Draft Guidelines for the Equitable Building Decarbonization Direct Install Program (DOCKET NO. 22-DECARB-03)**

Dear Commissioners, Board Members and Staff,

Marin Clean Energy (“MCE”) strongly supports the goals of the California Energy Commission’s (“CEC” or “Commission”) Equitable Building Decarbonization (“EBD”) program to advance energy equity through meaningful electrification investments in low-to-moderate-income families and under-resourced communities.

MCE provides clean electricity service and cutting-edge energy programs to more than 1.5 million residents and businesses in 37 member communities across Contra Costa, Marin, Napa, and Solano counties. MCE’s mission is to confront the climate crisis by eliminating fossil fuel greenhouse gas emissions, producing renewable energy, and creating equitable community benefits. MCE is a dedicated program administrator (“PA”) of a host of [energy efficiency \(“EE”\) and decarbonization focused programs](#).

MCE submitted comments on the CEC’s Request for Information (“RFI”) to this Docket on January 20<sup>th</sup>, 2023. MCE actively supported funding the EBD through its state budget advocacy in 2022 and 2023. MCE thanks the Commission for the host of EBD workshops and its efforts to seek regionally specific program design feedback from equity stakeholders especially.

MCE offers:

- Substantive comments on the implementation of the EBD direct install (“DI”) program:
  - The CEC should allow proposals with smaller geographic focuses and local goals in the request for proposal (“RFP”) for the EBD direct install program;
  - The CEC should support the use of self-attestation to demonstrate income eligibility for the EBD DI program;
  - The CEC should allow enrollment in an income-qualified program to demonstrate income eligibility for tenants in Multifamily Buildings.
- A proposal for the CEC to establish a public process to provide transparency and equitable opportunity in the selection of “Support for Existing Programs” that are envisioned to receive funding from the CEC until the statewide DI program launches.<sup>1</sup>

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<sup>1</sup> CEC, 22-DECARB-03, Equitable Building Decarbonization Direct Install Program Draft

- A recommendation that the EBD program provide educational information to participants on beneficial load shifting and demand response (“DR”) programs.

## I. Statewide Direct Install Program

### 2. Section A, Regional Funding Allocation

*Would you recommend any changes to the proposed regions or budget allocation?*

Yes, MCE strongly believes that direct install programs are best implemented at the local (or smaller “regional” level) and that the currently proposed division of the program into three larger regions will not lead to successful program implementation. MCE recognizes the administrative efficiency potentially achieved by selecting one PA per region but believes the many known risks with this approach outweigh any potential benefits.

First, MCE fears selecting just one PA per region ends up functionally eliminating any locally focused and community-led programs or projects. The regions are too large for any smaller, locally led PA to successfully administer independently at this scale. In fact, MCE questions what entities beyond a handful of consulting firms or the investor-owned utilities (“IOUs”) could realistically administer a program on this scale. This approach then eliminates locally focused PAs from leveraging their trusted, local relationships with CBOs to tailor program design to meet community interests and customer needs. Additionally, trust with PAs can be an essential determinant of project success or failure.<sup>2</sup> Locally focused PAs, like community choice aggregators (“CCAs”), possess extensive decarbonization program administration experience relevant for EBD. MCE’s PA experience informs its continued observation that local leadership is essential to the success of the EBD.<sup>3</sup>

Second, MCE fears selecting one PA per large region also limits equity stakeholders’ ability to lead on program design that meets locally varying needs and barriers within a region.<sup>4</sup> For example, within the hundreds of square miles of the Northern California region, the

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Guidelines (“Draft Guidelines”) at p. 3.

<sup>2</sup> California Energy Commission, *SB 350 Barriers Study*, available at:

[https://assets.ctfassets.net/ntcn17ss1ow9/3SqKkJoNIvts2nYVPAOmGH/fe590149c3e39e51593231dc60e0000/TN214830\\_20161215T184655\\_SB\\_350\\_LowIncome\\_Barriers\\_Study\\_Part\\_A\\_Commission\\_Final\\_Report.pdf](https://assets.ctfassets.net/ntcn17ss1ow9/3SqKkJoNIvts2nYVPAOmGH/fe590149c3e39e51593231dc60e0000/TN214830_20161215T184655_SB_350_LowIncome_Barriers_Study_Part_A_Commission_Final_Report.pdf), pp. 48-49 (discussing distrust of energy utilities).

<sup>3</sup> BEEP Coalition, *Community Priorities for Equitable Building Decarbonization Report* (March 2022), available at: [https://ww2.arb.ca.gov/sites/default/files/2022-](https://ww2.arb.ca.gov/sites/default/files/2022-03/BEEP%20Letter%20and%20Report_Equitable%20Decarb%20March%202022.pdf)

[03/BEEP%20Letter%20and%20Report\\_Equitable%20Decarb%20March%202022.pdf](https://ww2.arb.ca.gov/sites/default/files/2022-03/BEEP%20Letter%20and%20Report_Equitable%20Decarb%20March%202022.pdf) at p. ii (“Statewide rebate or incentive programs will continue to fail to reach those communities without significant investment in community-led efforts to engage communities that are being left behind.”)

<sup>4</sup> The Greenlining Institute, *Equitable Electrification Report* (2019), available at:

[https://greenlining.org/wpcontent/uploads/2019/10/Greenlining\\_EquitableElectrification\\_Report\\_2019\\_WEB.pdf](https://greenlining.org/wpcontent/uploads/2019/10/Greenlining_EquitableElectrification_Report_2019_WEB.pdf), p. 30 (describing the ecosystem of local partnerships required for equitable electrification projects).

decarbonization needs and barriers vary tremendously. Even within MCE’s service area in Northern California, the interests and needs of our customers in rural Napa County are often distinct from those in urban, multifamily buildings in Contra Costa County. MCE adjusts its program design and administration based on local needs while leveraging local relationships to better meet those varying needs and interests.

Third, MCE observes from the statewide EE programs funded by the CPUC, the larger the region, the greater the incentive for a PA to adopt a more uniform administration approach. While understandable from an administrative resource perspective, this approach replicates existing decarbonization programs that are not delivering benefits to equity participants in a proportional manner. MCE observes greater equitable outcomes from adding personalized, technical support throughout the life of its EE and decarbonization programs. Similarly goaled programs like the [Solar on Multifamily Affordable Housing](#) and the [San Joaquin Valley Affordable Energy Pilots](#)<sup>5</sup> also benefitted from a locally focused team of PAs and implementers who offered personalized technical assistance. As the California Air Resources Board (“CARB”) *Low-Income Barriers Study* observed, “... residents would benefit from repeated outreach and visits to ensure a more consistent presence in the community, to build trust, and ensure community-based organizations have the tools and resources they need to pass along information to their residents.”<sup>6</sup> The goal of the EBD is to innovate decarbonization programs creatively and prudently with community leadership at the center to mitigate known and documented inequities. MCE encourages the CEC to adopt a more innovative and locally led approach.

MCE supports the allocation of *funding* across the 3 regions as proposed in the Draft Guidelines. MCE also supports that RFPs for the DI program will be held at the regional level (i.e., one RFP each for Northern California, Central California and Southern California). However, MCE strongly recommends against the CEC limiting proposals in the RFP to those that cover the entire region with one PA. Instead, the CEC should also allow and consider proposals with smaller geographic focuses and local goals that could scale throughout a region and the state over the years. In doing so, the CEC will solicit a broader range of innovative program proposals, both on local and regional levels, that can complement each other in their joint goal of supporting the decarbonization of vulnerable communities in California. MCE recommends that the CEC may approve multiple proposals submitted to its RFP with different geographic scales and program design approaches to best serve the diverse regions and local communities within them.

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<sup>5</sup> R.15-03-010; *See also* Gridworks, *Lessons Learned (So Far) In Targeted Building Electrification*, 2021, available at: <https://gridworks.org/2021/09/lessons-learned-so-far-in-targeted-building-electrification/>; Evergreen Economics, *SJV DAC Pilot Projects Process Evaluation*, 2020, available at: <https://pda.energydataweb.com/api/view/2432/SJV%20DAC%20Final%20Research%20Plan%20101220.pdf>.

<sup>6</sup> California Air Resources Board, *CARB Barriers Report: Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents*, 2018, available at: [https://ww2.arb.ca.gov/sites/default/files/2018-08/sb350\\_final\\_guidance\\_document\\_022118.pdf](https://ww2.arb.ca.gov/sites/default/files/2018-08/sb350_final_guidance_document_022118.pdf).

The Draft Guidelines already implicitly contemplate a need for greater localization of DI programs by wisely introducing the concept of “Initial Community Focus Areas.”<sup>7</sup> MCE’s recommendation to allow proposals with smaller geographic focus matches this logic. MCE’s approach allows the CEC to consider and support various “Initial Community Focus Area” proposals within the RFP, proposed by various PAs.

MCE further recommends that programs approved via the RFP process would generally undergo an evaluation, measurement and verification (“EM&V”) process after program implementation which would result in a report focusing on both advantages and lessons learned in program design, development, and implementation. Based on this assessment and report, the program could be scaled throughout the region or even the State by either the same PA or others. Testing out a variety of locally led program models implemented by several different PAs will help California identify the benefits and challenges with different program designs. This local leadership focus and narrowly tailored program design approach is essential to better serve underresourced communities and Equity customers left behind by energy programs in the past.

For these reasons, MCE strongly recommends that the CEC allow proposals with smaller geographic focuses and local goals in the RFP for the DI program. MCE also notes that the CEC may approve multiple proposals submitted to its RFP within each of the three larger regions to test out a broader range of innovative program proposals under the EBD program umbrella for greater delivery of equitable benefits.

#### **4. Section D, Initial Community Focus Areas**

MCE supports the proposed community focus areas in the Draft Guidelines, especially the emphasis on local partnerships with CBOs.<sup>8</sup> MCE recommends the Commission add a community focus area that prioritizes communities who are more likely to experience meaningful non-energy benefits (“NEBs”) from EBD projects. For example, a PA could prioritize communities with higher levels of air pollution<sup>9</sup> for specific measure mixes that improve air quality. EBD eligible communities experience disproportionate health impacts from energy related environmental and social vulnerabilities.<sup>10</sup> As communities related interests and needs will vary, MCE recommends the CEC adopt a flexible approach to consider a variety of

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<sup>7</sup> CEC, EBD Draft Guidelines, p. 8.

<sup>8</sup> CEC, EBD Draft Guidelines at p. 8.

<sup>9</sup> OEHHA, CalEnviroScreen Report 4.0, 2021, available at:

<https://oehha.ca.gov/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf> (air quality indicators).

<sup>10</sup> Environmental Protection Agency, Cumulative Impacts Research, September 2022, available at: <https://www.epa.gov/system/files/documents/2023-05/CUMULATIVE%20IMPACTS%20RESEARCH-FINAL%20REPORT-EPA%20600-R-22-014A%20%2812%29.PDF> (outlining and defining the cumulative impacts of built and social environments on human health).

PA approaches to deliver NEBs. The CEC may coordinate with its ongoing efforts to study NEBs.<sup>11</sup>

## 5. Section E, Household/Property Eligibility

*Would you suggest changes to the proposed income verification requirements to better achieve this balance [between good stewardship of public funding and ensuring the program benefits its intended recipient while avoiding overly stringent requirements that create barriers to participation]?*

MCE generally supports the proposed eligibility and income verification requirements for the DI program with a few limited modifications.

First, MCE supports limiting the income verification burdens for program participants as complex income verification requirements often result in the exclusion of low-income program participants. Therefore, MCE supports the use of self-attestation<sup>12</sup> to demonstrate income eligibility for the EBD DI program. MCE uses self-attestation for its Home Energy Savings (“HES”) program with great success.

Second, MCE supports the CEC’s proposal to allow demonstration of enrollment in another income-qualified program to determine income eligibility for the EBD DI program. However, MCE notes that the current Draft Guidelines seem to only allow this type of income verification for Single-Family Homes.<sup>13</sup> MCE additionally recommends the CEC allow enrollment in an income-qualified program to demonstrate income eligibility for tenants in Multifamily Buildings.

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<sup>11</sup> CEC, SB 100 Joint Agency Report – Analysis of Non-Energy Benefits, Social Costs and Reliability, 2021, available at: <https://www.energy.ca.gov/event/workshop/2021-11/joint-agency-workshop-planning-senate-bill-100-analysis-non-energy-benefits> (outlining steps for the 2025 SB 100 Joint Agency Report).

<sup>12</sup> Disadvantaged Communities Advisory Group, Re: Comments on Rulemaking 20-05-012 Assigned Commissioner’s Ruling (ACR) on Improving Self Generation Incentive Program Equity Outcomes and Assembly Bill 209 Implementation <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M497/K964/497964271.PDF>, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M499/K629/499629300.PDF> at p. 2 (Where providing proof of income and/or residing in deed-restricted housing are necessary to qualify for participation, these conditions often result in unnecessary barriers to participation. Consider enabling self-attestation of income to reduce these barriers, which can be verified through random audits of a small subset of customers, or at a minimum enable customers who qualify for CARE or FERA to participate without additional paperwork.”).

<sup>13</sup> CEC, Draft Guidelines at p. 10.

*What other funding resources could help cover deferred maintenance costs for participating households?*

As MCE elaborates in **Section II** below, MCE already offers several direct install programs for low-to-moderate-income customers under its existing energy efficiency portfolio. MCE offers many of the proposed measures for the EBD program already in its existing EE and decarbonization programs:

- Duct testing/sealing;
- Occupant controlled smart thermostat;
- Air sealing;
- Insulation;
- Low-flow showerheads and faucets;
- Light-emitting diode (LED) bulbs and fixtures;
- Air filtration.

If participating in EBD as a PA or part of a PA team, MCE could leverage these measures and related funds as needed to support EBD projects, thereby increasing the value for vulnerable customers. MCE further elaborates in the following section on how MCE may leverage its existing EE programs to quickly bring EBD funds to low- to moderate-income households while the CEC continues to develop the DI program. MCE also stands ready to participate in the RFP for the DI program if the CEC allows the submission of proposals on a smaller geographic scale as proposed in response to **Section A, Regional Funding Allocation**.

## **II. Support for Existing Programs**

MCE strongly supports the CEC’s proposals to use \$30 Million to fund “Support for Existing Programs” that can deliver the benefits of decarbonization to vulnerable populations as quickly as possible while the EBD DI program is being developed. However, based on the Draft Guidelines and CEC workshop materials, it is unclear how, where and when the CEC will spend this funding.

MCE agrees with the CEC on the urgent need to spend this portion of EBD funds to both deliver benefits to historically underserved communities now and to pilot additional program approaches relevant for scaling its larger program. If the CEC intends to start spending these funds in 2024, a public selection process should start promptly with few months remaining in 2023. The proposed funds represent a significant amount of public dollars during a historic budget deficit and a significant percentage of state funds committed to these essential equity goals.

In service of the scale, scope and goals of this investment, MCE recommends that the CEC establish a public process to select programs to receive interim funding as described below.

- **Summer 2023:**
  - CEC issues a scoped, public solicitation for program proposal abstracts (sample length of 5 pages). The CEC may include the required elements for proposals and timelines for administration.



- MCE recommends the CEC require a letter of support from an equity-focused community-based organizations (“CBOs”) to center community leadership on program design.<sup>14</sup>
- Potential program administrators submit proposals to the Commission.
- The Commission seeks equity-stakeholder feedback on proposals via workshop or comment opportunities.
- **Fall 2023:** CEC selects proposals for funding.
- **By January 2024:** Due to the CEC’s urgency around spending these interim funds, MCE recommends programs must launch by January of 2024.

As stated in its comments on the RFI, MCE administers three complementary EE programs with decarbonization and equity focuses well suited to support the Commission’s EBD implementation efforts: the [Multifamily Energy Savings \(“MFES”\) Program](#),<sup>15</sup> [Low-Income Families and Tenants \(“LIFT”\) pilot program](#)<sup>16</sup> and [Home Energy Savings \(“HES”\) program](#).<sup>17</sup> MCE believes that a significant amount of customers could benefit from electrifying their homes through these existing MCE programs if the CEC were to provide additional funding to MCE starting in 2024 and until the new DI program is established. All three programs are direct-install programs with an equity focus, they are already up-and-running with existing implementers, contractors and administrative structures, and they support the same priority customer groups.

In service of equitable outcomes, streamlined administrative actions, and ensuring a pathway for comments from equity stakeholders and transparency of general fund spending, MCE requests the Commission establish a public process to select programs to receive interim funding under this category. MCE thus recommends that the CEC establish a public process to provide transparency and equitable opportunities for its Support for Existing Programs funding.

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<sup>14</sup> Assembly Bill 209 (2022) section 25665.3 (b).

<sup>15</sup> The Multifamily Energy Savings Program (“MFES”) provides residential energy efficiency and electrification improvements to affordable multifamily properties in the MCE service area.

<sup>16</sup> The Low-Income Families and Tenants (“LIFT”) program, launched as a pilot in 2018, reduces energy burden and improves the quality of life of residents in income-qualified multifamily properties in MCE’s service area. The Program offers energy efficiency, electrification, and health, safety, and comfort upgrades through a grant from the California Public Utilities Commission (“CPUC”).

<sup>17</sup> MCE’s Home Energy Savings (“HES”) is a direct install program that provides energy efficiency and building electrification ready home assessments, and home upgrades to eligible single-family (up to 4 attached units) homeowners and renters in MCE’s service area. This program targets customers in Disadvantaged Communities whose household income falls between 200-400% of the Federal Poverty Guidelines (“FPG”); *See also* RE: Marin Clean Energy on the Request for Information RE: Equitable Building Decarbonization Program (DOCKET NO. 22-DECARB-03)(describing Home Energy Savings Program, Multifamily Energy Savings Program and Low-Income Families and Tenants Program), pp. 7-10.

### III. Coordination with Load Management Programs

MCE recommends the Commission update the Draft Guidelines to require that PAs and/or implementers of the EBD DI program provide educational information to participants on beneficial load shifting and demand response (“DR”) programs. As California’s grid reliability challenges continue with a disproportionate impact on EBD eligible households, MCE recommends the CEC ensure greater integration of equitable decarbonization and demand management programs. Greater participation in peak demand management programs benefits the grid, California as a state through more reliable service, and can also lead to financial benefits for participating customers.

MCE recommends that PAs and/or implementers *educate and encourage customers to participate* in demand management programs. However, MCE does not recommend the CEC establish a requirement for EBD-funded resources to enroll in a DR or load shifting program. The CPUC’s Self-Generation Incentive program (“SGIP”) Heat pump water heater (“HPWH”) sub-program recently established a requirement for HPWHs incentivized under the program to enroll in a CAISO-market integrated DR program. MCE does not recommend the EBD program do the same because of the risk of undermining the equity focus of EBD.

Ensuring enrollment and participation in an additional program adds complexity and risks creating barriers to accessing EBD funding. No potential participant should be denied the EBD program because of potential barriers to DR program enrollment. Instead, MCE recommends that the EBD program encourage customers to participate in demand management programs by sharing information about such programs, highlighting their benefits and connecting the customers with resources on any desired next steps.

MCE anticipates more demand management program offerings in the future and that current program offerings will continue to evolve. MCE therefore requests the Commission update the list of demand management programs and educational resources on an iterative basis with its partnership.

### IV. Conclusion

MCE looks forward to continuing engagement with the CEC and stakeholders to ensure affordable access to building decarbonization and clean energy technologies in its service area and across California.

Sincerely,

/s/ \_\_\_\_\_  
Wade Stano  
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Dated: June 30, 2023