Application No.: A.26-01-xxx

Exhibit No.: SDG&E-03

Witnesses: Roland Mollen
Horace (Ty) Tantum
Mia Graff

PREPARED DIRECT TESTIMONY OF ROLAND MOLLEN HORACE (TY) TANTUM AND MIA GRAFF

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S ENERGY SAVINGS ASSISTANCE PROGRAM PLANS AND BUDGETS FOR PROGRAM YEARS 2028-2033

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

January 16, 2026

TABLE OF CONTENTS

PREPARED DIRECT TESTIMONY OF ROLAND MOLLEN, HORACE (TY) TANTUM, AND MIA GRAFF ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

1. INTRODUCTION

San Diego Gas & Electric Company (SDG&E) respectfully submits its proposed Energy Savings Assistance (ESA) Program portfolio for Program Years (PY) 2028–2033, consisting of ESA Main, ESA Multifamily Whole Building (MFWB) and the new ESA Electrification Pilot (Pilot). This testimony presents SDG&E's strategic vision, program design, and portfolio budget request for the delivery of impactful energy efficiency (EE) services, and health, comfort and safety (HCS) benefits to income-qualified customers across its service territory.

The ESA portfolio remains a cornerstone of SDG&E's commitment to affordability, equity, and customer well-being. After meeting the goal of treating all eligible and willing households in 2020, Decision (D.) 21-06-015 approved a program delivery approach that shifted toward a more customer-centered model seeking to maximize the individual household energy savings and HCS benefits based on the household's unique profile.[1] In this next program cycle, SDG&E intends to build upon the same delivery approach and continue to provide services tailored to each household's needs. The goal is to ensure resources are directed where they can have the greatest impact and deliver the benefits to those who need them most.

[1] D.21-06-015, Section 6.4.8.1 at 164.

SDG&E is proposing a refined, location-based segmentation strategy for the ESA portfolio to prioritize households facing the greatest energy burdens and environmental challenges. Key priority segments include:

- Disadvantaged Communities (DACs)
- High Fire Threat Districts (HFTDs)
- Heat Health Event Areas
- High Energy Burden Areas
- Tribal Communities

These segments were selected based on stakeholder input, California Public Utilities Commission (Commission or CPUC) guidance, and analysis of customer needs. SDG&E will deploy tailored outreach, optimized measure packages, and community-based partnerships to maximize program participation and benefits. These targeted outreach efforts include delivering comprehensive services that go beyond energy savings to address the hardships facing income-qualified customers.

The ESA portfolio will continue to deliver HCS improvements alongside energy savings. SDG&E agrees with the Commission that HCS benefits and hardship reductions are critical benefits of the program that should be considered.[2] SDG&E recognizes that non-energy benefits (NEBs) including improved indoor air quality, thermal comfort, and health and safety enhancements now represent about half of the program's total benefits, highlighting the evolution of the ESA Program and the needs of the customer.

---

[2] D.21-06-015, Section 6.8.8.2 at 228.

SDG&E's ESA portfolio will retain the tiered measure structure of Basic and Plus, where Basic consists of measures that do not require any grounding or modifications to dwellings, and Plus consists of more advanced measures that may involve modification. To improve participation, SDG&E proposes enhancements to renter engagement, expanded outreach to property owners, and the use of Home Energy Savings Kits to help overcome barriers. Additionally, SDG&E recommends the ESA MFWB Program to shift from a regional model to a locally administered model, which is expected to improve responsiveness and reduce administrative complexity.

To support California's decarbonization goals, SDG&E proposes the targeted Pilot focused on income-qualified single-family and mobile homes. The Pilot will test bundled electrification and weatherization measures, emphasizing bill neutrality and customer education.

SDG&E supports continued investment in Workforce Education & Training (WE&T), stakeholder engagement, and program coordination along with the investor-owned utilities' (IOUs) proposal for the new Income Qualified Programs (IQP) Workshop that includes California Alternate Rates for Energy (CARE) Program and Family Electric Rate Assistance (FERA) Program with the ESA portfolio.

Evaluation studies including Impact Evaluations, Low-Income Needs Assessments (LINA), and NEB updates will inform Mid-Cycle Advice Letter (MCAL) adjustments and future planning.

1.1. Total Budget Request

SDG&E requests a total ESA portfolio budget of $194.8 million for the PY 2028-2033 cycle, representing an 11% increase over the authorized budget for the current cycle. This increase reflects:

- Rising labor and material costs due to inflation and supply chain constraints. For example, the average price per unit for the refrigerator measure increased 50% from 2019 and the Furnace Repair/Replacement average price per unit increased 40%[3]
- Expanded outreach and engagement efforts
- Enhanced program delivery strategies
- Increased engineering involvement and Information Technology (IT) system upgrades
- Addition of Natural Gas Appliance Testing (NGAT) expenses as a safety measure

SDG&E remains committed to delivering a comprehensive ESA portfolio that meets the needs of its most vulnerable customers while maintaining fiscal responsibility and alignment with Commission directives.

2. ESA CUSTOMER SEGMENTATION AND PROGRAM DELIVERY APPROACHES

2.1. Which customer segments do the IOUs plan to prioritize for program delivery, and how do the IOUs plan to report on these activities?

SDG&E plans to strengthen its segmentation strategy in the next program cycle by prioritizing customers based on specific local conditions. This localized approach is intended to support contractors in acquiring customers more effectively, especially when outreach is guided by a consistent, compelling benefit message that addresses shared needs or conditions within a

[3] A.14-11-007, et al., SDG&E 2019 ESA Program Annual Report, ESA Table 2 and A.19-11-003, et al., Monthly Report of SDG&E on Low-Income Assistance Programs [ESA, CARE, FERA] for September 2025, (October 21, 2025) at ESA Table 2.

neighborhood. The prioritized customer segments for program delivery will vary from the current segmentation approach as described below.

D.21-06-015 approved SDG&E's current customer segmentation strategy for outreach and program delivery and includes customers identified as:[4]

- High usage
- Medical Baseline program participant
- DAC or neighborhoods identified by the California Air Resource Board (CARB) as part of the Community Air Protection Program (CAPP)
- Residents in HFTDs
- Residents in areas experiencing high levels of disconnections

Tribal communities are considered a distinct and important priority segment with a focused outreach team dedicated to their engagement.

For the next cycle, SDG&E is preparing to focus on location-based residential data using census tracts as the primary way to identify priority customers. Other program participation data such as Medical Baseline or operational data such as high usage or disconnections will be utilized as a secondary identifier. The location-based approach is attributed to stakeholder feedback. ESA Program contractors find it more efficient and effective to canvass a specific area for leads, especially if there is a consistent and valuable measure that can support a common need or condition affecting the neighborhood. Canvassing a neighborhood after a localized marketing and outreach campaign can increase success with enrollments and increase the

[4] D.21-06-015, Ordering Paragraph (OP) 72 at 487, and SDG&E Advice letter (AL) 3842-E/3012-G, et al., approved December 22, 2021 and effective October 1, 2021.

potential for neighbor-to-neighbor referrals. Feedback from September 2025 ESA Program focus groups indicated having a representative come to the door was an acceptable and sometimes preferred way of hearing about the program and addressing customer questions.[5]

Location-based segmentation also provides for increased utilization of local Community Based Organizations (CBOs) for outreach, further generating interest in program participation. CBOs are a trusted resource for communications and have pre-established relationships with customers who need assistance. CBOs can help with identifying ESA eligible customers who are not enrolled in CARE or FERA and can assist the customer with applying across eligible programs. SDG&E plans to engage location-based CBOs into outreach plans and will provide incentives along with materials and relevant messaging to help drive awareness and enrollments.

The outbound messaging for location-based customer segments will convey benefits specific to each household. Where applicable, the ESA programs may provide unique measures, such as central AC replacement for extreme heat areas, laundry duct cleaning for fire safety in high fire threat areas, and air purifiers for disadvantaged communities. These relevant measures, combined with specific benefit messaging and effective outreach methods, are expected to increase customer interest and participation in the areas of most need.

For the next program cycle, SDG&E intends to maintain a distinct and separate treatment for Tribal communities and continue with the existing priority segments of:

- DAC[6] as defined by CalEnviroScreen 4.0 and neighborhoods identified by CARB as part of CAPP Communities[7]

---

[5] SDG&E ESA Customer Focus Groups Report, MDC Research (September 2025).

[6] *See* definition at State of California OEHHA, available at https://oehha.ca.gov/calenviroscreen/sb535.

[7] *See* identified neighborhoods at CARB, available at https://ww2.arb.ca.gov/node/539.

- HFTD[8]

The new prioritized segments will be:

- Heat Health Event Areas, as defined by the California State Action Plan to Build Community Resilience and the California Heat Assessment Tool[9]
- High Energy Burden Areas as defined by the United States (US) Department of Energy (DOE) Low-Income Energy Affordability Data (LEAD) Tool[10]

These new segments were selected following an evaluation of segmentation options from California state agency plans which identified the ESA Program as a valuable resource for customers impacted by extreme heat events by offering weatherization and cooling measures.[11] The high energy burden areas, identified by the LEAD tool, include households facing a high energy burden and could benefit from participating in ESA programs through the installation of multiple energy saving measures aimed at reducing consumption and lowering costs.

Table 1 provides a comparison of the priority customer segments from the current cycle to those proposed for the PY 2028-2033 cycle:

---

[8] *See* districts at ARCGIC, CPUC High Fire-Threat District Map, available at https://www.arcgis.com/home/item.html?id=986b9c5900b1424dac71b2f91b9b7475.

[9] *See* definition at California Heat Assessment Tool, available at https://www.cal-heat.org/about.

[10] *See* definition at U.S. Dept., of Energy, California Heat Assessment Tool, available at https://www.energy.gov/scep/low-income-energy-affordability-data-lead-tool.

[11] Protecting Californians From Extreme Heat: A State Action Plan to Build Community Resilience (April 2022) at 12 and 39, available at https://resources.ca.gov/-/media/CNRA-Website/Files/Initiatives/Climate-Resilience/2022-Final-Extreme-Heat-Action-Plan.pdf.

Table 1: Priority Customer Segments for ESA Programs

Priority Segment	PY 2021-2026	Proposed PY 2028-2033
Areas of High Disconnect: Zip codes with rate of disconnect above 4%.	Primary Identifier	Secondary Identifier
High Usage: CARE customers, in high poverty areas, exceeding 400% of baseline 3 or more times in one year in high heat climate zones (10,14,15).	Primary Identify	Secondary Identifier
Medical Baseline: Low-income customers who are enrolled in SDG&E's Medical Baseline program.	Primary Identifier	Secondary Identifier
Disadvantaged Communities/CA Community Air Protection Program: Neighborhoods that have been identified by CARB's CAPP, where they overlap with existing SDG&E DAC zip codes, as identified by Cal Enviro Screen **3.0** as being one of the 20% most disadvantaged census tracts in SDG&E's territory.	Primary Identifier	Primary Identifier, using Cal Enviro Screen **4.0**
High Fire Threat District: Areas comprised of the following: (1) Zone 1 is Tier 1 of the latest version of the United States Forest Service and CAL FIRE's joint map of Tree Mortality High Hazard Zones. (2) Zone 2 is Tier 2 of the CPUC Fire-Threat Map. (3) Zone 3 is Tier 3 of the CPUC Fire-Threat Map.	Primary Identifier	Primary Identifier
Heat Health Event Areas: Areas defined by the California State Action Plan to Build Community Resilience and the California Heat Assessment Tool.	Not Applicable	Primary Identifier
High Energy Burden Areas: Areas as defined by the US DOE LEAD Tool.	Not Applicable	Primary Identifier

SDG&E determined the abovementioned priority segments by evaluating the number of CARE and FERA customers and their premise locations for all housing types: single family, mobile homes and multifamily in-units. CARE and FERA customers have the highest likelihood of ESA Program eligibility due to the same income requirements. Table 2 shows the number of CARE and FERA customers as of the year-end 2024 who are within the anticipated priority segments. These customers will be the focus for outreach and delivery in the next cycle. CARE and FERA customers outside of the priority segments remain a valid source of potential enrollments and are classified as "Other Eligible" in Tables 2 and 3. SDG&E's location-based

approach coupled with localized marketing, education, and outreach will identify ESA-eligible households not already enrolled in CARE or FERA.

Table 2 also shows the number of CARE and FERA customer households within the priority segments who have not been treated by the ESA Program. SDG&E applied a segmentation hierarchy (left to right in the chart) to avoid duplication of household counts. For example, if a household is on Tribal Land, it is counted in that segment only. The number of households treated is determined by the address having a specific premise treated identifier in the SDG&E database since the beginning of 2005. With a previously treated household, the ESA contractor will evaluate the opportunity for additional measure installations based on prior installation date. SDG&E will update the household segmentation data after a final decision is issued, and prior to launching the next program cycle. During the program cycle, the household data will be refreshed annually for targeting and outreach.

Table 2: CARE and FERA Households by Customer Segment

Priority Segment (Households)	Tribal Land	DAC/CARB	Heat Event	HFTD	LEAD	Other Eligible
Total	580	44,845	138,071	22,196	2,913	101,645
Not Treated	485	13,515	79,122	16,109	1,352	57,335
% Not Treated	83%	30%	57%	73%	46%	56%

SDG&E intends to report on the segmentation activities in the quarterly reports to the Low Income Oversight Board (LIOB) and within required compliance reports.

2.2. Given repeated stakeholder interest, what are the IOUs' plans to prioritize the following customer segments:

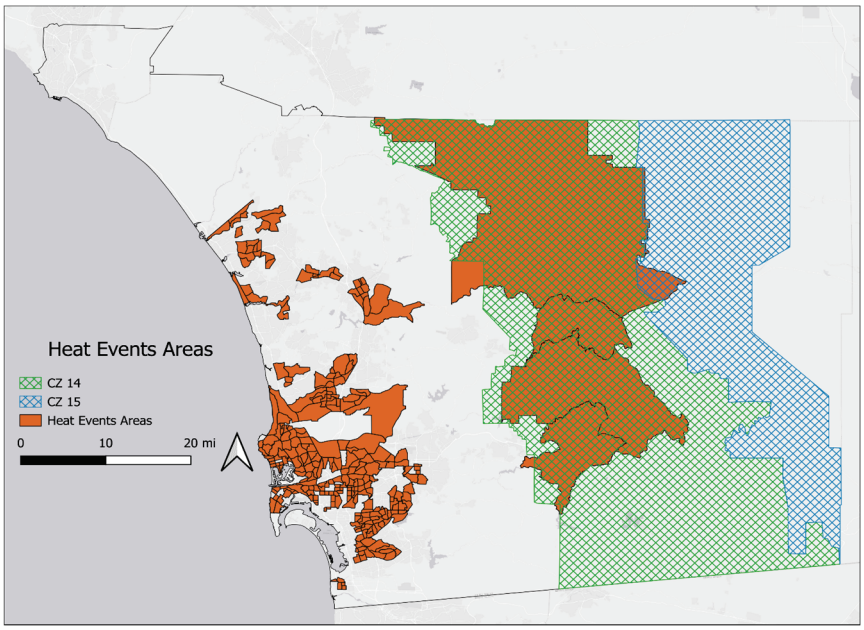
2.2.1. Customers in hot climate zones or extreme heat areas

In the current cycle, customers in SDG&E's hot climate zones (14 & 15) were prioritized for the Pilot Plus Pilot Deep Program (PPPD), as approved in AL 4099-E/3134-G. PPPD's goal was to achieve deeper energy savings (up to 50% per household), which resulted in a focus on high usage customers in the hotter climate zones, assuming they would have the greatest opportunity for deeper savings. Within these climate zones, the potential savings values are greatest for heating, ventilation and air cooling (HVAC) measures, the typical drivers of high usage. Although the PPPD will not continue into the next program cycle, learnings will be incorporated into the new Pilot, as described in Section 8.

For the next ESA Program cycle, SDG&E intends to expand the priority customer segment of hot climate zones to include households that are located within Heat Health Event Areas. A Heat Health Event is an event that results in negative public health impacts, regardless of the absolute temperature. The Heat Health Event Areas include census tracts projected to experience three or more Heat Health Events per year associated with emergency room visits.[12] These Heat Health Event Areas extend beyond the boundaries of climate zones.

[12] California Heat Assessment Tool, Link: https://cal-heat.org/explore.

Figure 1: Heat Health Events Areas Beyond Climate Zones 14 and 15



SDG&E will use a coordinated and integrated mix of general awareness channels, targeted communications, and collaborative partnerships to build a multi-touch campaign approach. Additional discussion on this approach is provided in Section 10, ESA Marketing, Education and Outreach (ME&O) Strategies.

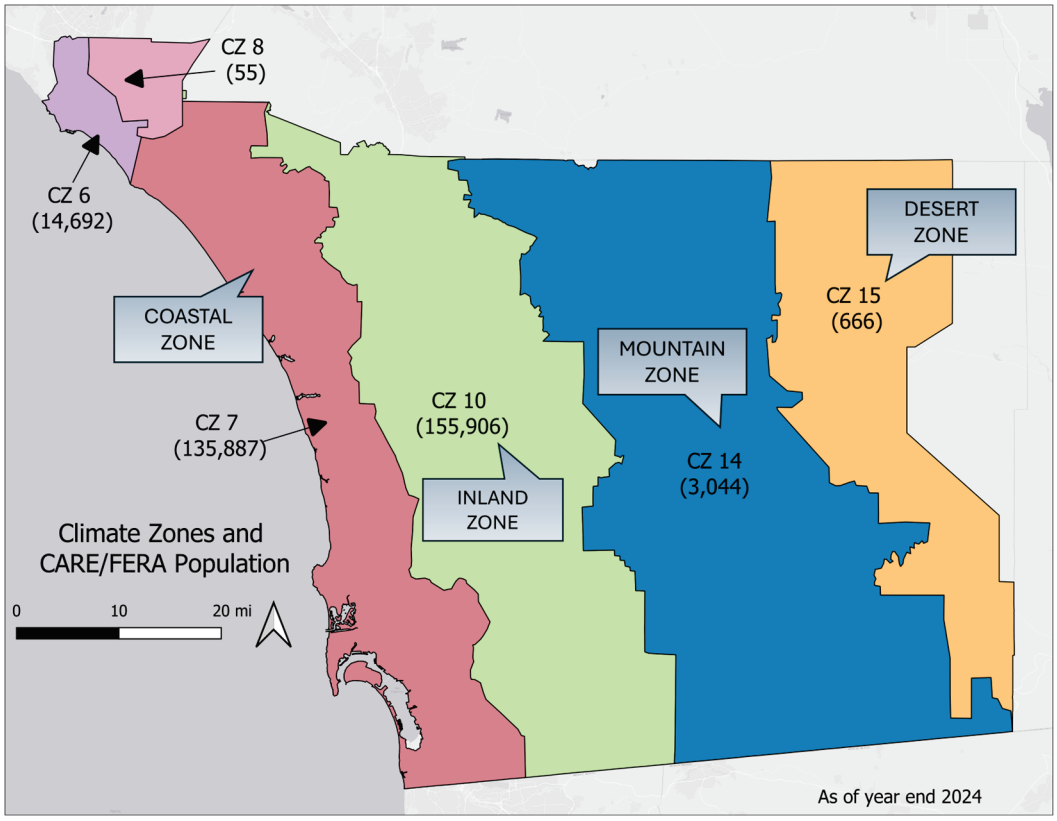
Key strategies include:

- Utilizing location-based, targeted direct marketing via physical mail and email;
- Building program awareness and enrollments with local CBOs, who will be incentivized;
- Offering new home cooling measures: ceiling fans, insulated cellular shades, and central air conditioner replacement; and
- Emphasizing the benefits from measure offerings and program participation that can address the local conditions and needs of residents.

As of year-end 2024, SDG&E's internal data shows that approximately 310,000 CARE and FERA customers resided in the milder climate zones 7 and 10, with less than 4,000 estimated

of those customers in the hottest climate zones 14 and 15. Climate zones 14 and 15 encompass San Diego County's inland mountain and desert areas. Figure 2 depicts the climate zones in SDG&E's territory and the population of CARE and FERA households.

Figure 2: SDG&E Climate Zones and CARE/FERA Household Population



The estimated number of households expected to receive ESA Program benefits in climate zones 14 and 15 drops to approximately 2,200 after applying the CPUC-approved 60% Willing and Feasible to Participate (WFTP) factor.[13] This factor was adopted to improve program estimates of households that are both eligible and likely to participate.

[13] D.16-11-022, OP 76 at 468-469, adopted a statewide 60% WFTP factor to be used in calculating the willing and feasible population.

ESA Program benefits are diminished in these primarily rural and semi-rural climate zones 14 and 15 due to the use of propane over natural gas as a fuel source, which disqualifies households from receiving most ESA Program services (e.g. infiltration measures, natural gas appliance testing, and many appliance upgrades). The limited number of eligible and willing participants from climate zones 14 and 15, along with the restricted benefits to potential participants in these zones, highlights the importance of expanding the segmentation to include other areas, such as those affected by Heat Health Events, where residents may face greater vulnerability and could benefit significantly from ESA Program services. Table 3 shows the total households by prioritized segments and climate zones.

Table 3: Eligible Customers by Priority Segment and Climate Zone

Climate Zone	Tribal Land	DAC/ CARB	Heat Event	HFTD	LEAD	Other Eligible	Total
CZ06	---	---	---	2,841	---	11,851	14,692
CZ07	---	30,832	72,156	707	1,676	30,516	135,887
CZ08	---	---	---	54	---	1	55
CZ10	290	13,319	63,974	17,810	1,237	59,276	155,906
CZ14	290	147	1,822	784	---	1	3,044
CZ15	---	547	119	---	---	---	666
Total	580	44,845	138,071	22,196	2,913	101,645	310,250

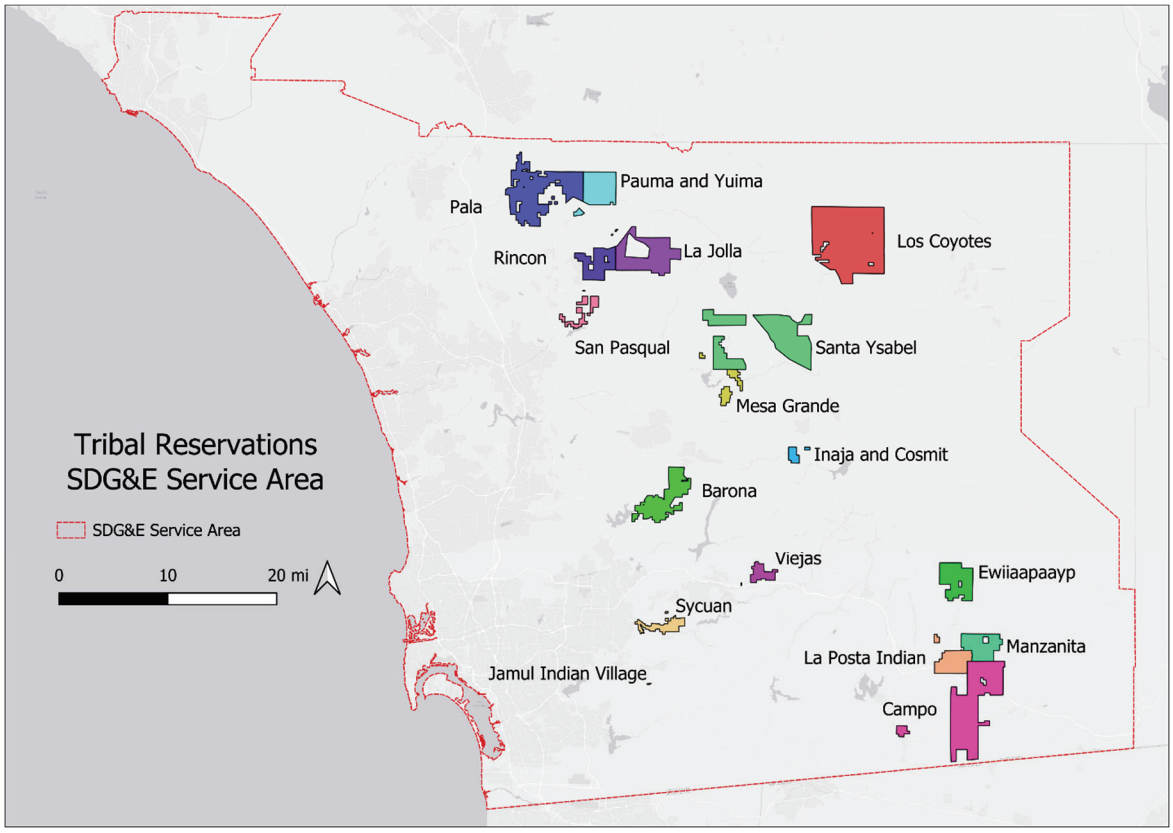
The data in Table 3 indicates that most low-income customers are concentrated in the milder climate zones (CZ07 and CZ10), where lower heating and cooling demands make achieving significant cost-effective energy savings more challenging.

2.2.2. Customers who are Tribal Members and/or Reside on Tribal Reservations

There are 17 federally recognized tribes and three non-federally recognized tribes within the SDG&E service area. SDG&E has prioritized outreach to these Tribal communities

throughout the current program cycle and will continue to do so in the future. Tribal Nations and their members are spread throughout the unincorporated inland areas of San Diego and overlap with HFTD and DACs. Figure 3 provides a map of Tribal Reservations in SDG&E service area.

Figure 3: Tribal Reservations in SDG&E Service Area



SDG&E's Outreach and Tribal Relations teams collaborate to engage with the tribes within its service area as part of its ongoing efforts to connect Tribal members to available customer assistance programs and resources. SDG&E understands and respects that Tribal Nations are federally recognized sovereign entities, each governed by its own laws and policies, and adheres to these protocols when operating on Tribal lands. To help strengthen outreach efforts for CARE, FERA, ESA, and Medical Baseline (MBL) programs, SDG&E will continue

to offer mini-grants that support tribal-led initiatives and activities aimed at increasing program awareness and participation.[14] SDG&E proposes some enhancements to these activities as described in more detail in Section 10.

Key strategies include:

- Integration of the Commission's Environmental and Social Justice (ESJ) principles to prioritize equitable access to programs and services, especially for historically underserved Tribal communities, and promotion of sustainable energy solutions that align with Tribal values and priorities;[15]
- Cross-promotion with other SDG&E resources and services, such as supporting customers with access to My Energy Center and bill payment assistance options to meet the unique needs and interests of tribes and Tribal members;
- Work with Tribal leadership and housing entities to obtain feedback and advisement to consistently bridge culturally appropriate communication and impact;
- Continuation of Tribal mini-grants to promote feedback loop with Tribal Governments and amplify SDG&E programs and tools; and
- Strengthen partnerships with tribes and CBOs through transparent exchange of information obtained from community dialogue.

---

[14] D.21-06-015, OP 194 at 523-524, allows the Utilities to have flexibility in determining the specific outreach and appropriate grant level. Amounts are set at SDG&E's discretion based on services provided.

[15] The CPUC adopted the ESJ Action Plan in 2019 which serves to expand public inclusion in decision-making and improve services to targeted communities in California, including Tribes and Tribal Reservations. *See* ESJ Action Plan Version 2.0 (April 7, 2022) available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf.

SDG&E will continue reporting on Tribal activities in its compliance reports for 2028-2033. The Tribal metrics will be discussed and aligned with the IOUs and the Commission's Energy Division as mentioned in SDG&E's reporting proposal detailed in the Direct Prepared Testimony of Kazeem Omidiji Section V.B.

2.2.3. Customers residing in Disadvantaged Communities (DACs)

Customers in DACs have been a consistent priority segment for SDG&E, with ESA contractors conducting outreach and canvassing activities within these communities. DACs are considered California's most burdened communities based on geographic, socioeconomic, public health, and environmental hazard criteria. Common challenges to ESA Program participation, such as language barriers, renter status, and housing conditions (e.g., building codes cannot be met, a safety hazard is present which cannot be repaired, etc.) are also found in DACs. This segment will continue to be a priority. The ESA Program will work more closely with local CBOs to revise messaging and outreach strategies to address local conditions and deliver specific benefits. Outreach conducted through CBOs is intended to build trust and help increase enrollment in DACs.

Beyond DACs, SDG&E will continue to target communities that experience environmental and health inequities from air pollution as identified by the CARB and CAPP. Key strategies include:

- Localized outreach campaigns and partnerships with trusted CBOs;
- Tailored program measures and benefit messaging to resonate with customers; and
- Use of segmentation data to refine prioritization of households.

2.3. How do the IOUs plan to prioritize program benefits, including customer bill savings, to the above-listed prioritized customer segments?

While customer bill savings is a key consideration, the primary benefits delivered through the ESA programs and most recognized by customers are improvements in HCS, as well as energy savings.[16] In SDG&E's service territory, where most customers reside in mild climate zones 7 and 10, as shown in Figure 2, traditional EE measures have limited impact on reducing consumption and rarely result in meaningful bill savings. The HCS-related benefits drive the most positive outcomes for customers and therefore take priority. HCS benefits provide customers with a greater sense of wellbeing and improved quality of life as they enjoy improved indoor air quality, better temperature control, safer and more reliable appliances.[17]

Measure savings values are climate specific and tend to be HVAC measures in hotter climate zones, while water heating measures typically have higher savings values in colder climate zones. Other measures, like lighting, are similar across all climates.

When analyzing measure installations for PY 2024, SDG&E found the number of single family and mobile home households receiving five or more savings measures was less than 20% of the total households treated, and 51% of those treated received only one measure as shown in Table 4. This measure installation scenario reduces the per household average energy savings and subsequent average bill savings.

[16] 2019 California Low Income Needs Assessment, Opinion Dynamics (December 2019), and SDG&E ESA Customer Focus Groups Report, MDC Research (September 2025).

[17] SDG&E ESA Customer Focus Groups Report, MDC Research (September 2025).

Table 4: ESA Main Installed Measures by Number of Households Treated

Installed Measures Per Household	Households Treated	Total Measures Installed	Percentage of Households
1	3,939	3,939	50.73%
2	854	1,708	11.00%
3	795	2,385	10.24%
4	881	3,524	11.35%
5	681	3,405	8.77%
6	373	2,238	4.80%
7	156	1,092	2.01%
8	67	536	0.86%
9	15	135	0.19%
10	3	30	0.04%
Total	**7,764**	**18,992**	**100.00%**

Most households receiving only one measure were renters. ESA contractors planned to return after collecting the required Property Owner Authorization (POA) form, however, less than 25% of the forms were completed. The difficulty in obtaining the POA affects the contractor's ability to install multiple energy savings measures, which ultimately impacts the customers' bill savings. According to the 2022 LINA Study, almost two-thirds of the low-income population that is eligible for ESA are renters, and they tend to have 1) limited potential for improving the efficiency of the home, 2) lower energy bills, 3) lower overall energy burdens, and 4) less interest in participating.[18] The study also suggests that highlighting the potential health benefits of HVAC improvements may increase renter participation, especially since over 25% of study participants reported needing some form of additional heating, cooling, or ventilation for health reasons.[19] SDG&E will enhance communication about the program's HCS

[18] 2022 Low Income Needs Assessment, Evergreen Economics (December 9, 2022) at 3-4, available at https://pda.energydataweb.com/#!/documents/2749/view.

[19] *Id.*, at 59.

benefits to motivate renters and encourage property owners to provide POAs. With half of the treated households in 2024 receiving only one measure, the average first-year bill savings is approximately $5.00 per month, as shown in Table 5. While ESA Program participants appreciate the smaller upgrades, they find significantly greater value in the more comprehensive services.[20]

Table 5: Average Annual Bill Savings per Treated Home - ESA Main

Total Yearly Bill Savings	$ 379,472.89
Homes Treated	6,406
Average Annual Bill Savings Per Home	$ 59.24
Average Monthly Bill Savings Per Home	$4.94

Of the ESA Program multifamily in-units treated in 2024, less than 30% of households received five or more measures and 26% received only one. Because the POA form is collected prior to treatment, the multifamily in-units tend to have a higher installation rate.

Table 6: ESA Multifamily In-Unit Installed Measures and Number of In-Units

Installed Measures Per In-Unit	# of In-Units	Total Measures Installed	Percentage of In-Units
1	841	841	26.39%
2	407	814	12.77%
3	515	1,545	16.16%
4	500	2,000	15.69%
5	508	2,540	15.94%
6	300	1,800	9.41%
7	104	728	3.26%
8	9	72	0.28%
9	2	18	0.06%
10	1	10	0.03%
Total	**3,187**	**10,368**	**100.00%**

[20] SDG&E ESA Customer Focus Groups Report, MDC Research, September 2025.

Table 7: Average Annual Bill Savings per Treated Multifamily In-Unit

Total Yearly Bill Savings	$ 160,357.50
In-Unit Treated	3,168
Average Annual Bill Savings Per In-Unit	$ 50.62
Average Monthly Bill Savings Per In-Unit	$4.22

Additionally, incorporating the health, comfort, noise and safety related outcomes or NEBs as an indicator of value would ensure these critical benefits get tracked and recognized alongside bill savings. After conducting the ESA Program Cost Effectiveness Test (ESACET) for the next program cycle, SDG&E found the NEBs portion of all program benefits to be increasing substantially.

The dollar values for NEBs account for approximately 50% of all benefit dollar values for the 2028-2033 program years of the ESA portfolio cycle. This is an increase of approximately 20% compared to the PY 2024-2026 program years in which NEBs accounted for around 30% of all benefits as displayed in Table 8.

Table 8: Percentage of NEBs in Total ESA Program Benefits

PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030	PY 2031	PY 2032	PY 2033
30%	30%	29%	42%	54%	51%	51%	51%	50%	50%

SDG&E will promote program benefits, including energy savings, such as replacing inefficient HVAC equipment. But the more relevant benefit messaging will be on location-based conditional problem solving, where non-energy benefits such as improved indoor air quality, thermal comfort, health and safety enhancements are able to be emphasized during program

delivery. SDG&E intends to tailor the outreach and delivery for the prioritized segments. For example:

- In hot climate zones and extreme heat areas, cooling and weatherization measures will be prioritized to reduce heat-related health risks along with energy savings potential;
- In DACs, air cleaner measures and weatherization measures will be emphasized to help offset some of the external environmental conditions along with energy savings;
- In High Energy Burden areas, a combination of deeper energy savings measures will be promoted to positively impact the customer's bill; and
- In HFTD, measures with safety features will be prominent, such as laundry duct cleaning, which helps reduce the possible cause of fire.

SDG&E plans to reassess reporting on customer impacts and program metrics collaboratively with the ED and IOUs for the PY 2028-2033, as discussed in the Direct Prepared Testimony of Kazeem Omidiji, Section V.B.

2.3.1. Will IOUs retain the Tier structure?

SDG&E will retain the tier structure (Basic and Plus) for measure categorization. Measures classified as Basic do not involve modifications to dwellings, which include grounding work.[21] SDG&E proposes to maintain the Basic measures definition and delivery options and offer the Basic tier measures to:

- Renters who are unable to obtain a POA form, which is often a barrier to accessing more complex measures;

[21] D.21-06-015, OP 49 at 481.

- Customers who prefer to self-certify meeting the program income eligibility requirement; and
- Customers who decline more complex measures.

SDG&E also proposes providing Basic measures in a Home Energy Savings Kit as an incentive to attract interest in the more complex measure installations and increase program participation.

Once eligibility and feasibility are confirmed and an in-home assessment has taken place, SDG&E's ESA Program will deliver the more complex Plus measures, including any HCS measures. This approach allows SDG&E to maintain flexibility in program delivery while ensuring equitable access.

2.4. Do the IOUs plan to continue reporting this via ESA Table 7, or are there alternative approaches to collecting this type of customer segment information?

ESA Table 7 in the current low income monthly reports has been used to track demographic and segment-level data during the current program cycle. SDG&E proposes to address the usefulness of ESA Table 7 and any potential modifications during the reporting and metrics collaboration efforts with the ED as described in the Direct Prepared Testimony of Kazeem Omidiji, Section V.B.

However, several limitations have been identified that make the table challenging to leverage for targeting, analysis, and decision-making, such as:

- **Incomplete and unreliable data**: Many data points in Table 7 are based on external assumptions or self-reported information, which can be inaccurate or inconsistent;
- **Limited usefulness for targeting**: The table provides a backward-looking snapshot that does not support proactive segmentation or outreach strategies;

- **Overlapping and non-exclusive categories**: Line items in Table 7 often duplicate households across multiple segments, making it difficult to interpret who is truly benefiting;
- **Cumbersome and time-consuming**: The reporting process is administratively burdensome and requires data input from numerous external sources, as underscored by the need for 20 footnotes to describe the inputs and process; and
- **Lack of connection to measure packages:** Table 7 does not provide insight into which measures are being delivered to which segments, limiting its usefulness for evaluating deeper savings strategies.

During the collaboration efforts, SDG&E proposes to keep the following guiding principles in mind when discussing approaches to collecting customer segmentation information:

- **Definitive and data-driven**: Uses census tract data, climate zone mapping, and other indicators to identify and track priority segments;
- **Alignment with program goals**: Supports SDG&E's focus on reducing location-based struggles with energy and environmental conditions, and improving health, comfort, and safety outcomes; and
- **Simplified and targeted**: Focuses on actions to improve outreach, measure delivery, and equity outcomes for customers with the greatest needs.

2.5. What are the program delivery best practices and other learnings from this current cycle that the IOUs can implement for the next cycle?

SDG&E has identified several key program delivery best practices and operational learnings from the current cycle that will inform improvements in the next cycle. These

learnings are derived from implementation experience, stakeholder feedback and regulatory direction in D.21-06-015, which emphasized flexibility, and equity in program design.[22]

SDG&E has identified the following program delivery best practices for the upcoming program cycle:

- **Location-based targeted outreach provides efficiencies to program delivery.** Currently, SDG&E targets special initiative segments such as high usage customers, disconnected customers, and MBL customers. However, location disparities made it inefficient to conduct canvassing, appointment settings, and in-home visits. In the future, SDG&E is implementing a location-based segmentation strategy as described in more detail in Section 2.
- **Identify opportunities to improve energy savings data management and quality.** Currently, given the emphasis on energy savings, SDG&E adapted its energy savings methodology to better align with this income-qualified sector. Beginning in 2024, SDG&E began instituting a change in the hierarchy of savings sources for the ESA portfolio of programs, with priority given to CPUC-approved California Electronic Reference Manual (eTRM) measures, which utilized existing condition baselines and measures with low-income specific workpapers.[23] Previously, SDG&E was relying on results from the 2015-2017 Impact Evaluation which did not have appropriate representation of savings values for SDG&E's territory due to the lack of statistically

[22] D.21-06-015, Conclusion of Law (COL) 26 at 468, OP 190 at 522-523, and Section 9.2 at 407.

[23] California Electronic Reference Manual is a statewide repository of California's deemed measures, including supporting values and documentation.

adequate sample sizes.[24] Moving forward, SDG&E will continue to evaluate measure savings annually as eTRM workpapers adjust and create custom workpapers when necessary. In addition, SDG&E proposes to develop and maintain an eTRM central repository for workpapers that will help aid collaboration among the IOUs and ESA stakeholders and make energy saving information more accessible and transparent. Drawing from the successful implementation of eTRM practices in the EE portfolio, a centralized repository will strengthen consistency in measure documentation, streamline development processes, and support long-term planning and evaluation across the ESA portfolio.

- **Program coordination with CSD has been challenging due to differences in program installation policies.** The directive to coordinate with the Community Services and Development Department (CSD) to provide funding for measures common to the ESA programs and Low-Income Weatherization Program (LIWP) has not materialized for SDG&E, as evidenced by the blank tables in monthly and annual reports, therefore, a contract was not executed..[25, 26] SDG&E will continue to investigate partnership opportunities from complementary programs where funds can be leveraged to supplement ESA program offerings and reduce ratepayer burden.
- **A longer ramp-up period is needed when launching new program models.** The transition to a single implementer model required significant operational adjustments,

---

[24] ESA Impact Evaluation Program years 2015-2017, DNV-GL (April 26, 2019) (2015-2017 Impact Evaluation) available at https://pda.energydataweb.com/#!/documents/2173/view.

[25] D.21-06.015, Section 6.12.7.1 at. 272.

[26] LIWP provides low-income households with solar photovoltaic (PV) systems and EE upgrades at no cost to residents.

including new tracking, invoicing, and reporting systems. These changes delayed SDG&E's ability to identify high savings potential properties early in the cycle. For the next program cycle, SDG&E recommends a longer ramp-up period to allow for more effective collaboration and smoother operational transitions with implementers. SDG&E also observed that the expanded requirements in solicitations created barriers for bidders. Although SDG&E hosted several workshops to promote participation and clarify expectations; additional improvements are needed. SDG&E proposes refining its request for proposals (RFP) instructions to enhance clarity and competitiveness, providing targeted technical assistance and more comprehensive documentation to support a wider range of bidders.

- **Staggered solicitations across IOUs may improve market participation.** SDG&E found that overlapping solicitations across IOUs can saturate the market and limit bidder capacity. Discussion and collaboration between IOUs, when possible, may help ensure more qualified bidders are available and willing to participate.
- **Balancing energy savings goals with HCS delivery requires thoughtful program design and execution.** SDG&E identified competing objectives where measures that improve HCS may increase energy use and negatively impact progress toward energy savings goals. In this next cycle, SDG&E will continue to ensure a balance in energy savings and HCS benefits when making changes to the ESA measures. SDG&E will consider this balance when developing contractor performance-based incentives.

Additional best practices and learnings are covered in other relevant sections of this application.

2.6. Program Updates

2.6.1. How do the IOUs plan to continue proposing measure changes?

SDG&E appreciated the flexibility granted in D.21-06-015, which directed the IOUs to use the ESA Working Group as a venue to discuss measure changes and criteria, and utilize monthly reports for notification purposes.[27, 28] This flexibility enabled timely updates to the measure portfolio in response to customer needs, market conditions, and cost-effectiveness considerations. The work conducted through the ESA Working Group is a best practice that SDG&E proposes to continue in the current cycle. SDG&E supports continuing this practice via a new ESA Program Technical Working Group, further discussed in Section 15.

2.6.2. How do the IOUs plan to continue proposing program changes?

SDG&E requests to continue the practice authorized in D.21-06-015, which permits the IOUs to submit Tier 2 ALs for programmatic changes that do not affect the ESA portfolio budget or energy savings goals. SDG&E proposes to continue this approach for the upcoming program cycle to support efficient program administration and timely implementation of non-substantive program changes.

2.6.3. How do the IOUs plan to continue proposing significant program change, such as budget increases and goal reductions through petition for modification?

SDG&E proposes to continue making changes that require an increase in budget or reduction in goals via a petition for modification (PFM) or Tier 3 AL, similar to what was ordered in D.21-06-015.[29] Additionally, SDG&E proposes a MCAL process to address the

---

[27] D.21-06-015, OP 61 at 484-485.

[28] *Id*., OP 60 at 484.

[29] *Id.,* OP 179 at 519.

results of the process and impact evaluations, which are expected towards the beginning of the program cycle. SDG&E has outlined its proposal for significant programmatic changes in the Prepared Direct Testimony of Kazeem Omidiji, Section V.B.

3. ESA PROGRAM BUDGETS

3.1. Annual and program cycle budget, with budgets taking into account:

3.1.1. The need of the program's eligible customer

As stated in stated in the Prepared Direct Testimony of Kazeem Omidiji, affordability is top of mind for income-qualified customers, who continue to face disproportionate economic challenges.[30] Since filing the last low income application, SDG&E has experienced an increase in inflationary pressures, cost of living, and cost of delivering program services. These macroeconomic trends are not temporary fluctuations but reflect a sustained upward trajectory in service delivery costs.

The ESA portfolio is designed to deliver bill savings through EE measures (*see* Section 4.3) and to enhance HCS for vulnerable households. These benefits are especially vital for customers experiencing enduring conditions such as energy insecurity, housing instability, or chronic health issues.

The customer segmentation strategy discussed in Section 2 ensures the program target households with the greatest need, using tailored messaging and measure packages to maximize impact. To maintain the program's effectiveness and equity, the proposed total portfolio budget reflects a necessary increase of approximately 11% over the current cycle. This adjustment accounts for:

---

[30] Prepared Direct Testimony of Kazeem Omidiji, Section I, Portfolio Guiding Principles.

- Escalating labor costs due to wage growth and workforce retention challenges;
- Higher material and installation costs driven by inflation and supply chain constraints;
- Expanded outreach and engagement efforts to reach underserved communities more effectively; and
- Addition of NGAT expenses as a safety measure.

Without this increase, the program will be unable to achieve its objectives in terms of reach, depth of service, and long-term customer outcomes. The proposed budget ensures that the ESA programs remain a reliable, equitable, and impactful resource for income-qualified households across SDG&E's service area.

3.1.2. Current budgets

The PY 2021-2026 ESA portfolio, consisting of ESA Main, Southern MFWB, and PPPD, has experienced challenges due to the significant program design changes ordered in D.21-06-015. This has led to the current ESA portfolio budget being underspent due to the ESA Main extended ramp up time the delay in the Southern MFWB Program launch, and the solicitation issues with the PPPD. SDG&E anticipates the budget spend for PY 2026 and bridge year 2027 to be on target with budget forecasts, based on current MFWB Program and PPPD pipelines, and the program delivery estimates received from implementers. Additionally, SDG&E expects stability in program operations during the remainder of the cycle, as issues related to initial challenges are resolved.

Table 9 compares the authorized ESA portfolio budget by program to the proposed future cycle budgets. SDG&E is requesting an increase for ESA Main and the MFWB Program based on the factors previously discussed. The new Pilot budget request is consistent with what was authorized for PPPD in the current cycle.

Table 9: Authorized ESA Portfolio Cycle Budget & Next Cycle Budget

Program	PY 2021-2026[31]	PY 2028-2033	% Increase
ESA Main	$ 118,650,626	$ 132,664,762	12%
Multifamily[32]	$ 48,587,038	$ 54,393,653	12%
Pilots	$ 7,633,415	$ 7,697,819	1%
Total	$ 174,871,079	$ 194,756,234	11%

3.1.3. Amount of unspent funds

Unspent funds for the ESA portfolio are treated in two ways. D.21-06-015, OP 181 requires any remaining uncommitted and unspent funds at the end of a program year be used to offset the next year's collection, however an exception was allowed for the MFWB Program and PPPD funds to be rolled over to the next program year within the cycle.[33] At year-end 2024, the unspent funds for the MFWB Program and PPPD were rolled over to PY 2025, leaving the total amount of unspent and uncommitted funds available to offset future revenue collection at $6,965,671.[34]

---

[31] Total cycle budget was adjusted to include the 2021 full year budget as reported in A.19-11-003, et al., SDG&E's 2021 Annual Report (June 1, 2022) at Table 1 – ESAP Overall Program Expenses and Table 1A Expenses Funded from 2009 – 2016 Unspent Program Funds. All other years are from D.21-06-015, Attachment 1 at Table 11: SDG&E Approved Budgets.

[32] The MFWB Program budget includes Single Point of Contact (SPOC).

[33] D.17-12-009, OP 106 directed the IOUs to use unspent funds and uncommitted to offset future revenue collections. In A.19-11-005, SDG&E requested to continue this practice and D.21-06-015 approved the use of unspent funds to offset revenue collections per year.

[34] A.19-11-003, et al., Annual Report Activity of SDG&E on ESA, CARE, and FERA Programs for 2024 (June 27, 2025) (SDG&E 2024 Annual Report) at ESA Table 11 – ESA Fund Shifting.

3.1.3.1. How unspent funds from 2021-2026 program cycle will be incorporated

In SDG&E's 2027 Bridge Funding Application (A.25-06-022), SDG&E proposed that any remaining funds at the end of PY 2026 be used to offset the Bridge Year 2027 budget requirements, thereby reducing the revenue requirement collection amount.[35] Therefore, SDG&E does not expect to have a significant amount of unspent funds at the end of the Bridge Funding Program Year 2027. However, SDG&E proposes to use any remaining unspent funds to offset revenue collections for the next program cycle beginning in year 2028. For a more detailed discussion of fund shifting, see Prepared Direct Testimony of Kazeem Omidiji Section V.C.

3.1.4. Annual and cycle ramp-up costs

The PY 2028 – 2033 cycle projects an increase in costs for the ESA portfolio. PY 2028 is forecasted to be a ramp up year, as the programs transition into the new cycle. SDG&E anticipates a reduction in enrollments in PY 2028, while contractors are completing individual treatments and submitting final invoices for PY 2027 to close out the prior year activities. SDG&E anticipates beginning the solicitations process for an ESA Main and proposed Pilot implementer once a final decision in this proceeding is issued and concluding this process in PY 2028. During PY 2028, SDG&E will also begin the solicitations process for a local MFWB Program implementer. The new program implementers will need ramp up time to establish their teams, conduct training on measure installation standards, build familiarity with the program policies and system requirements, and develop their own processes to achieve success. The

[35] A.25-06-022, Prepared Direct Testimony of Roland Mollen on Behalf of SDG&E (June 27, 2025) at RM-9:12-14.

following two years of the new cycle (2029 – 2030) are expected to show moderate increases in costs as implementation enhancements are made based on learnings, and efficiencies gained with experience. The final three years (2031-2033) are expected to be a steady state of performance with budgets being relatively stable.

3.1.5. Inflation and cost-of-living adjustments

For the proposed program cycle, SDG&E applied a 3% annual escalation rate to labor and material costs for ESA Main and the ESA MFWB Program. This rate is consistent with SDG&E's latest General Rate Case (GRC) decision for post-test-year base margin revenue increase, with long-term inflationary trends and utility sector cost forecasts.

The California Construction Cost Index (CCCI) has shown annual increases ranging from 2.3% to 13.4% between 2021 and 2024, with recent years averaging around 9%, reflecting post-pandemic volatility.[36] By comparison, the 3% rate used by SDG&E represents a conservative and stabilizing assumption that smooths out short-term spikes while remaining aligned with historical norms.

Additionally, IHS Markit, a data and analytics provider for the energy industry, produces utility cost forecasts that are used in SDG&E's GRC filings and typically projects escalation rates in the 2.5% to 3.8% range for labor, materials, and services.[37] This range further supports the reasonableness of the 3% assumption for long-term planning.

---

[36] *See* index at Dept. of General Services, Real Estate Services Division, DGS California Construction Cost Index CCCI, available at https://www.dgs.ca.gov/RESD/Resources/Page-Content/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI.

[37] A.22-05-016, SDG&E GRC Application, Exhibit No. SDG&E-41, Prepared Direct Testimony of Scott Wilder (Cost Escalation) (May 2022), Table SRW-2 at SRW-6.

SDG&E's vendor contract policy allows for price adjustments during the cycle to address any unforeseen economic conditions, ensuring flexibility and fiscal responsiveness. The 3% escalation rate provides a prudent balance between cost realism and budget stability.

3.1.6. Proposed rules regarding flexibility (rollover, return, offset, commit, etc.)

For the next program cycle, SDG&E is proposing a portfolio cycle budget for ESA Main and the MFWB Program, and for the Pilot, with the ability to shift funds between programs and years without the need for an advice letter. This additional flexibility will ensure that program funding levels can be adapted to support portfolio savings goals and address any operational concerns, should one program show greater opportunity for energy savings. For a more detailed discussion of budget flexibility, see Prepared Direct Testimony of Kazeem Omidiji in Section V.C.

3.2. Revenue Requirement, Rate Impacts and Cost Recovery

3.2.1. Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the application period as well as the projected rate impacts that would arise due to the increased revenue requirements, including impacts to FERA and non-FERA customers, and non-CARE customers

a. SDG&E – Electric

SDG&E is not proposing changes to the revenue allocation or rate design for the ESA electric rate. Pursuant to D.25-09-006, SDG&E's ESA portfolio costs will continue to be recovered using an equal-cent-per-kWh approach applied to all non-exempt authorized sales.[38]

[38] D.25-09-006, at 75. Streetlighting sales are exempt from paying ESA program costs.

ESA portfolio costs are recovered through the Public Purpose Program (PPP) surcharge. In accordance with OP 2 of D.03-04-027, SDG&E is ordered to submit an annual AL by October 1 to revise its electric PPP rates effective January 1 of the following year. The revisions reflect currently authorized annual revenue requirements, and updates to the electric PPP regulatory account amortizations. The ESA portfolio revenue requirement is based on the authorized portfolio budget, which includes both the administration costs and the ESA EE costs.

b. SDG&E – Natural Gas

SDG&E is not proposing changes to the revenue allocation or rate design for the ESA gas surcharge rate. Pursuant to D.09-11-006, SDG&E's ESA portfolio costs are allocated among customer classes using the Equal Percent of Authorized Margin (EPAM) method. Rates are calculated by multiplying the portfolio cost by the allocation factor and dividing the applicable billing determinants minus any exempt throughput.

ESA portfolio costs are recovered through the PPP surcharge. In accordance with OP 22 of D.04-08-010 and as authorized Assembly Bill (AB) 1002, SDG&E submits an annual AL by October 31 to update its gas PPP surcharge rates effective January 1 of the following year. The revisions to gas PPP rates reflect currently authorized annual revenue requirements, and updates to the gas PPP regulatory account amortizations. The ESA portfolio revenue requirement is based on the authorized portfolio budget, which includes both the administration costs and the ESA EE costs.

The revenue requirement is included in Attachment G, Tables 7 and the electric and gas rate impacts are included in Tables D-1 and D-2, respectively.

3.2.2. Include a brief description of the balancing accounts for the ESA Program and explain any changes

ESA portfolio revenues and expenditures are tracked in the electric and gas balancing accounts described below.

a. Low-Income Energy Efficiency Balancing Account (LIEEBA)-Electric

The purpose of the Low Income Energy Efficiency Balancing Account (LIEEBA) is to track the electric PPP revenues collected and allocable to the ESA portfolio and the ESA portfolio electric expenses pursuant to D.03-04-027. SDG&E does not propose any changes to the LIEEBA at this time.

b. Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA)

The purpose of the Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA) is to track gas PPP revenues collected and allocable to the ESA portfolio and the ESA portfolio gas expenses for the program cycle beginning January 1, 2006 approved by D.05-12-026. Additionally, PGLIEEBA also tracks the remittances of PPP funds collected from ratepayers to the Board of Equalization (BOE) on a quarterly basis and subsequently records the reimbursement of those funds two to three months after the funds were remitted. SDG&E does not propose any changes to the PGLIEEBA at this time.

4. ESA ENERGY RELATED GOALS

4.1. The IOUs' proposed annual and program cycle goals for the following savings categories, and whether these proposed goals are aligned with the upcoming 2025 Potential and Goals (P&G) study results:

4.1.1. Energy (in kWh)

SDG&E is predicting higher energy savings than the 2025 Potential and Goals (P&G) study for kilowatt-hours (kWh) in the base and high scenarios. While the P&G study estimates savings between approximately 9.5 million and 17.13 million kWh across the base, high and

double scenarios, SDG&E is forecasting total energy savings of around 14.5 million kWh for the full program cycle. Table 10 shows a breakout of the savings forecast compared to the 2025 P&G Study Achievable Potential Scenarios for SDG&E's service territory. SDG&E's forecast is based on (1) the addition of new measures for the next program cycle including fuel substitution measures in the MFWB Program, (*see* Attachment G, Tables A-1 and A-1a), (2) inclusion of certain HCS measures that have savings values that were mischaracterized in the study, (3) updates to measure savings values based on SDG&E's new savings methodology that is less reliant on the Impact Evaluation results, and (4) an increase in total budget of 60% for PY 2028-2033 when compared to the Achievable Potential Total Program Budget - Base Scenario.[39] The SDG&E savings methodology was introduced in 2024 after the P&G study commenced. SDG&E presented the new methodology to the ESA Policies and Procedures & Installation Standards Manual Sub Working Group and to the full ESA Working Group in June 2024.[40] In November 2024, the Southern Regional MFWB Program adopted the new savings methodology, resulting in increases in kWh savings and improvements in therm savings.[41]

---

[39] 2025 Income Qualified Potential and Goals Study, Final Report, Guidehouse (July 9, 2025) at 26, Tables 15 & 16.

[40] *See* ESA Working Group Public Meeting Notes (June 27, 2024), available at https://pda.energydataweb.com/api/view/4001/ESA%20WG%20June%20Public%20Meeting%20Notes%20070324.pdf .

[41] A.19-11-003, et al., Monthly Report of SDG&E on Low-Income Assistance Programs [ESA, CARE, FERA] for November 2024, (December 23, 2024) at 6.

Table 10: Portfolio SDG&E GWh Savings Forecast Compared to 2025 P&G Study

Year	SDG&E Forecast (GWh)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	2.05	1.55	1.79	2.54
2029	2.48	1.56	1.82	2.71
2030	2.48	1.58	1.85	2.81
2031	2.49	1.59	1.88	2.91
2032	2.50	1.60	1.91	3.02
2033	2.54	1.61	1.94	3.14

Table 11: ESA Main SDG&E GWh Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (GWh)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	1.41	0.98	1.15	1.63
2029	1.42	1.00	1.17	1.74
2030	1.42	1.01	1.18	1.81
2031	1.43	1.01	1.20	1.87
2032	1.44	1.02	1.22	1.95
2033	1.44	1.03	1.24	2.02

Table 12: MFWB SDG&E GWh Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (GWh)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.64	0.56	0.64	0.91
2029	1.06	0.57	0.65	0.97
2030	1.06	0.58	0.66	1.00
2031	1.06	0.58	0.68	1.04
2032	1.07	0.58	0.69	1.08
2033	1.10	0.59	0.70	1.11

4.1.2. Demand (in kW)

SDG&E projects kW savings to be very close to the demand savings goal as indicated in the P&G study for the base scenario. The P&G study forecasts a demand savings of 4,180 kW

for the SDG&E base scenario, and SDG&E is forecasting a demand savings of 4,112 kW for the full application cycle. SDG&E is not aligned with the high and double scenarios as listed in the 2025 P&G study. The measures that SDG&E is proposing include more cost-effective gas savings measures in addition to fuel substitution measures, which do not have kW savings. Tables 13, 14 and 15 indicate the breakdown per year of SDG&E's forecasted savings compared to the 2025 P&G base scenario.

Table 13: Portfolio SDG&E MW Savings Forecast Compared to P&G Study

Year	SDG&E (MW)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.57	0.68	0.87	1.26
2029	0.70	0.69	0.89	1.34
2030	0.71	0.69	0.90	1.43
2031	0.71	0.70	0.92	1.51
2032	0.71	0.71	0.94	1.59
2033	0.71	0.71	0.95	1.67

Table 14: ESA Main SDG&E MW Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (MW)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.46	0.40	0.52	0.75
2029	0.47	0.41	0.53	0.80
2030	0.47	0.41	0.54	0.85
2031	0.47	0.41	0.55	0.90
2032	0.47	0.42	0.56	0.95
2033	0.47	0.42	0.56	0.99

Table 15: MFWB SDG&E MW Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (MW)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.11	0.28	0.35	0.51
2029	0.24	0.28	0.36	0.54
2030	0.24	0.28	0.37	0.58
2031	0.24	0.29	0.37	0.61
2032	0.24	0.29	0.38	0.64
2033	0.24	0.29	0.39	0.67

4.1.3. Gas (in therms)

SDG&E is forecasting energy savings of 1,185,079 therms or 1.19 MMTherms for the proposed program cycle. This is higher than the 2025 P&G potential savings for SDG&E of 990,000 therms or approximately 1.0 Million therms (MMTherms) for the base scenario for PY 2028-2033, because of the forecasted fuel substitution measures replacing gas and increasing therm savings in the MFWB Program. Tables 16, 17 and 18 break down the per year SDG&E forecasted therms versus the 2025 P&G study base scenario by year.

Table 16: Portfolio SDG&E MMTherm Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (MMTherm)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.16	0.16	0.23	0.35
2029	0.20	0.16	0.23	0.37
2030	0.20	0.17	0.24	0.39
2031	0.21	0.17	0.24	0.42
2032	0.21	0.17	0.25	0.44
2033	0.21	0.17	0.25	0.46

Table 17: ESA Main SDG&E MMTherm Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (MMTherm)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.11	0.10	0.14	0.22
2029	0.11	0.10	0.14	0.23
2030	0.11	0.10	0.15	0.25
2031	0.11	0.10	0.15	0.26
2032	0.11	0.10	0.15	0.27
2033	0.11	0.11	0.16	0.29

Table 18: MFWB SDG&E MMTherm Savings Forecast Compared to P&G Study

Year	SDG&E Forecast (MMTherm)	P&G Scenario (Base)	P&G Scenario (High)	P&G Scenario (Double)
2028	0.05	0.06	0.08	0.13
2029	0.10	0.06	0.09	0.14
2030	0.10	0.06	0.09	0.15
2031	0.10	0.06	0.09	0.16
2032	0.10	0.06	0.09	0.16
2033	0.10	0.07	0.09	0.17

4.2. How the IOUs' proposed goals compare to the 2021-26 goals and actual results, for the above savings categories

The proposed goals for the ESA portfolio for PY 2028–2033 are compared to PY 2021–2027 goals and actual results in Figures 4, 5 and 6. The figures include actuals only for PY 2021, since D.21-06-015 began with goals for PY 2022.[42] The figures also include the proposed PY 2027 bridge funding year.[43] SDG&E is proposing portfolio level energy savings goals for the cycle, not individual program energy savings goals. However, the programs have estimated

[42] D.21-06-015, Attachment 1, Table 5: ESA Annual Energy Savings Goals.

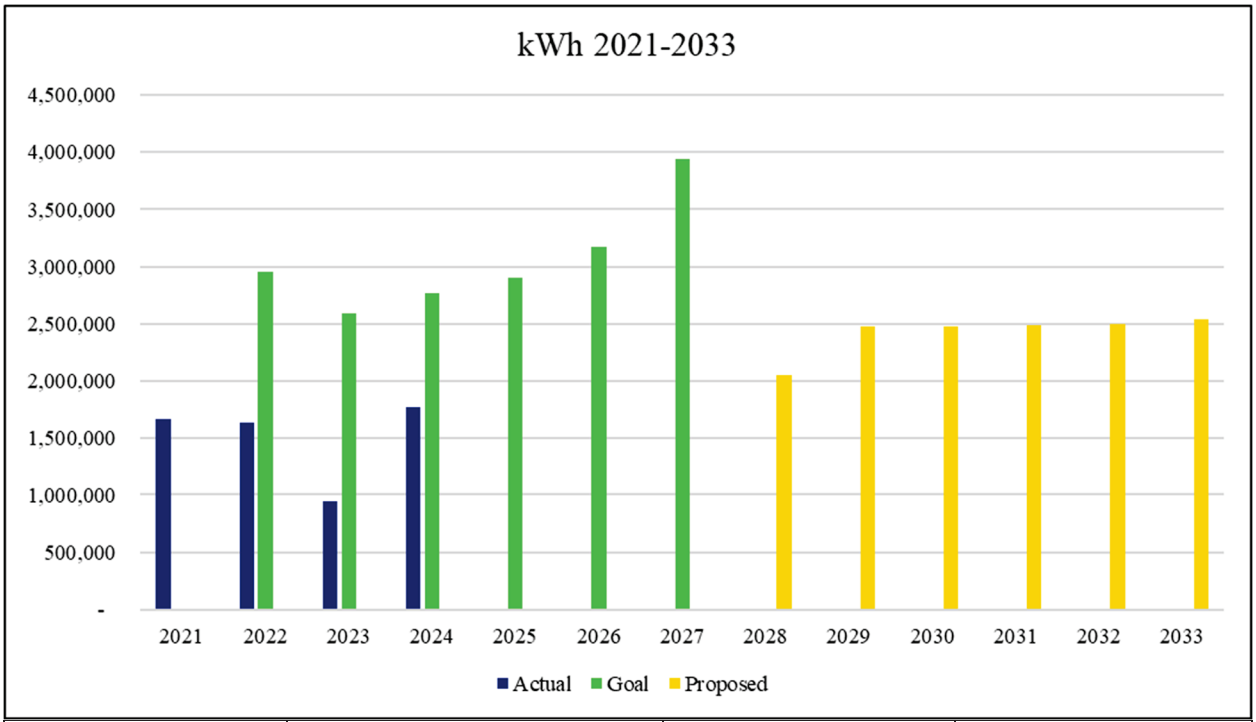
[43] A.25-06-022, Prepared Direct Testimony of Roland Mollen on Behalf of SDG&E (June 27, 2025) at Attachment H, Table 5 at SDG&E-5.

annual savings to help with planning and long-term portfolio management. Individual program planning assumptions and forecasts are discussed in their respective sections.

The proposed kWh savings goal for the ESA portfolio in bridge year 2027 represents the peak year of the current cycle, PY 2021-2026 with ESA Main and the MFWB Program operating at their highest level. For ESA Main, new measures will be available for deployment in the first quarter of 2026 and are expected to help increase enrollments, installations, and savings in 2026 and 2027.[44] The MFWB Program is planning to utilize its carried-over budget to fund the large-scale projects estimated to begin in 2026. Because many of these projects require 12 - 18 months for implementation and final billing, the energy savings will not be reported until they are completed in 2027. Portfolio savings are projected to decline in PY 2028 due to planned solicitations for new program implementers and the anticipated phase-down of the current program as preparations ramp up for the next cycle. A steady increase in savings is forecasted in the years following, based on program operations becoming more established and efficient while gaining momentum in the market. The proposed kW savings goals follow the same pattern as the kWh, for the same reasons.

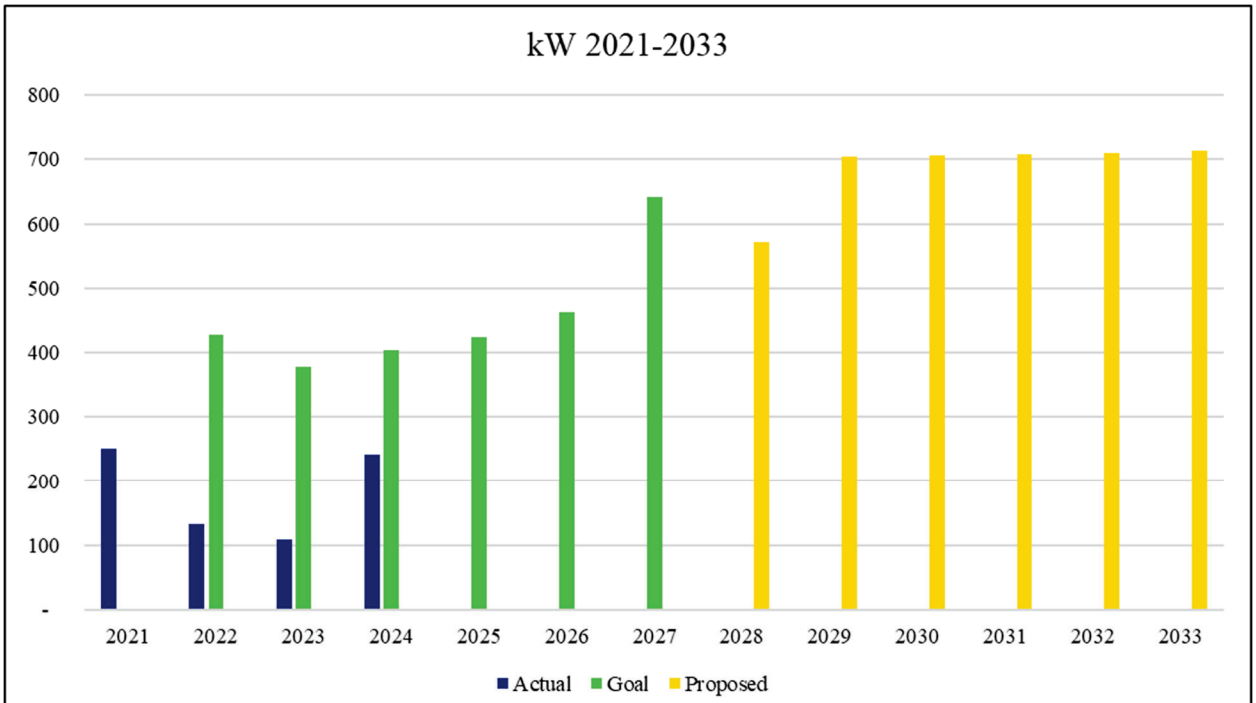
[44] Main ESA Proposed Measure Modifications, ESA Working Group Discussion, March 21, 2024, available at https://pda.energydataweb.com/#!/documents/3942/view.

Figure 4: SDG&E ESA Portfolio kWh Savings



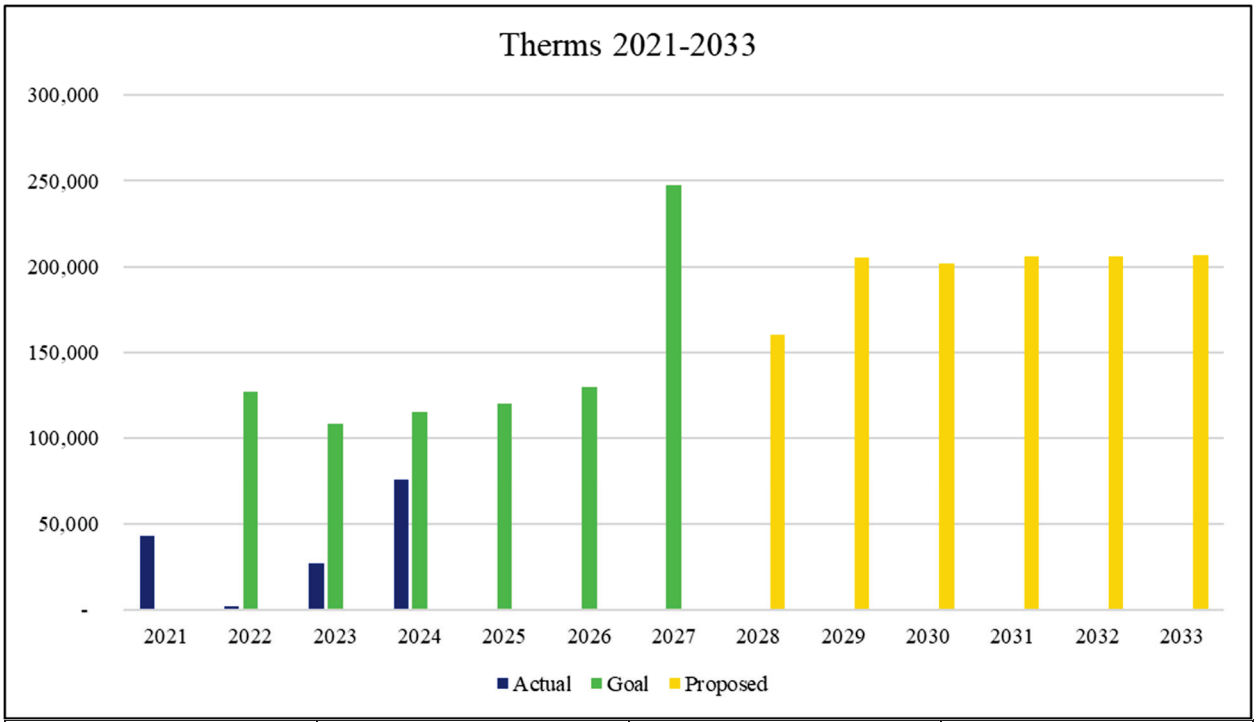
Year	Actual	Goal	Proposed
2021	1,673,163	–	–
2022	1,638,311	2,955,161	–
2023	944,014	2,593,606	–
2024	1,769,119	2,769,999	–
2025	–	2,906,619	–
2026	–	3,169,076	–
2027	–	3,939,709	–
2028	–	–	2,049,417
2029	–	–	2,481,710
2030	–	–	2,480,163
2031	–	–	2,493,055
2032	–	–	2,501,741
2033	–	–	2,535,142

Figure 5: SDG&E ESA Portfolio kW Savings



Year	Actual	Goal	Proposed
2021	250	–	–
2022	133	428	–
2023	109	377	–
2024	241	404	–
2025	–	424	–
2026	–	463	–
2027	–	641	–
2028	–	–	572
2029	–	–	705
2030	–	–	706
2031	–	–	707
2032	–	–	709
2033	–	–	713

Figure 6: SDG&E ESA Portfolio Therm Savings



Year	Actual	Goal	Proposed
2021	42,890	–	–
2022	1,918	127,171	–
2023	26,860	108,790	–
2024	75,763	115,389	–
2025	–	120,065	–
2026	–	129,739	–
2027	–	247,731	–
2028	–	–	160,085
2029	–	–	204,983
2030	–	–	201,691
2031	–	–	205,740
2032	–	–	206,178
2033	–	–	206,402

The proposed therms savings goal for the portfolio for PY 2027 includes the forecasted completion of multiple Common Area Measures (CAM) projects currently in the pipeline of the MFWB Program. These larger projects yield larger savings and are expected to be done and

invoiced within the bridge year. CAM projects tend to take a longer period of time to complete due to the larger equipment that requires numerous contractor resources and customer visits. The substantial increase in actual therms for PY 2024 is due to the change in measure savings values that was implemented during that year. This change is based on SDG&E's updated methodology that leverages more relevant workpapers rather than the outdated 2015-2017 Impact Evaluation. Section 2.5 provides a more detailed explanation of this change. SDG&E expects to continue utilizing this new methodology into the next program cycle.

4.3. Whether the IOUs are proposing any new savings or other goals, such as Total System Benefit (TSB), or other goals to measure deeper energy savings, such as energy savings per household or average customer bill savings.

While SDG&E is not proposing any new savings targets or other goals at this time, it intends to explore more efficient methods of tracking and reporting, such as evaluating NEBs and customer bill savings using quartiles or quintiles rather than relying solely on average values. These recommendations will be discussed during the proposed reporting collaboration sessions with Energy Division, as further detailed in the Prepared Direct Testimony of Kazeem Omidiji, Section V.C.

SDG&E does not find TSB applicable to the ESA portfolio. The ESA programs are designed to deliver benefits at the individual household levels, with a focus on finding deeper energy savings, improving HCS, and reducing energy burden through direct-install measures. TSB as a program goal would encourage program administrators and contractors to pursue high value energy savings that deliver some or all of the avoided cost categories, energy, generation capacity, ancillary services, transmission and distribution capacity, high global warming

potential (GWP) gases, and greenhouse gases (GHGs).[45] This complex balancing effort of selecting the best EE measures to achieve a TSB goal changes the program's priority. TSB is better suited for the EE market programs whose objective is to defer investments in generation. However, this is not the objective of the ESA portfolio.

4.4. Whether the IOUs' proposed goals are aligned with the 2025 P&G study scenarios regarding:

4.4.1. Health, Comfort, and Safety (HCS) measures

HCS measures, as defined in D.21-06-015 are those having less than one kWh or one therm of annual energy savings.[46] The measure forecast for the ESA Main and MFWB Program in the PY 2028-2033 includes two measures with less than one unit of savings. They are water heater repair and laundry duct cleaning. SDG&E considers water heater repair to be a critical measure for income-qualified customers, and laundry duct cleaning will be used as an incentive to drive participation with households in HFTDs.

SDG&E's proposed HCS measures for the next cycle do not align with the P&G Study scenarios based on the addition of new measures such as laundry duct cleaning, a mischaracterization of HCS measures within the P&G study, and updated measure savings values.[47] For example, in the P&G study, it classified dishwashers as HCS for SDG&E, but they provide positive or non-zero savings.[48] This characterization does not fit with the approved definition of HCS measures as described above. Additionally, the savings values for some of the

---

[45] CPUC Staff Guidance, Total System Benefit Technical Guidance, Version 1.2 (October 25, 2021) at 4.

[46] D.21-01-015, Section 6.10.8.5 at 254-255.

[47] *See* 2025 Income Qualified Potential and Goals Study, Final Report (July 9, 2025) at 52, Table D-1. Summary of Stakeholder Comments and Responses, for SDG&E comments.

[48] *Id.,* at 36, Appendix A. List of IQ Measures Characterized.

HCS characterized measures, such as air sealing and air purifiers, have been updated with the implementation of SDG&E's new savings methodology and no longer fit the HCS definition of having less than one unit of annual energy savings, as described in Section 4.4 of this document.

SDG&E does not intend to include several of the HCS characterized measures from the P&G study scenarios in the next cycle. For example, cold storage, evaporative coolers, and furnace clean and tune, all of which have zero savings and low install frequency for SDG&E, will not be included. SDG&E also elected not to include some other measures mis-characterized as HCS, such as dishwashers, freezers, and gas clothes dryers, due to their low ESACET scores. The full list of proposed measures can be found in Attachment G, Tables A-1 and A-1A Planning.

Additionally, SDG&E is proposing to reclassify NGAT as a HCS measure in the ESA portfolio, bringing the oversight and costs into the program it exclusively serves. This approach aligns with current installation of similar safety-related measures, as mentioned above, in addition to those proposed by other IOUs and approved by the CPUC, such as Southern California Gas Company (SoCalGas) Home Health Safety Check Up, Pacific Gas and Electric Company (PG&E) Cold Storage, along with other safety-related measures.[49] This proposal is discussed further in the Prepared Direct Testimony of Kazeem Omidiji, Section V.C.

4.4.2. Fuel Substitution

The 2025 P&G Study identified various fuel substitution measures as components of the projected goals for the ESA portfolio. As part of its MFWB Program, SDG&E intends to

[49] SDG&E Advice Letter 3842-E/3012-G, et al., approved December 22, 2021 and effective October 1, 2021, approved the IOUs measure mix for the PY 2021-2026 Program cycle.

include both in-unit and CAM measures such as heat pump water heaters, heat pump HVAC, heat pump pool heaters, induction cooktops, and clothes dryers, which are in alignment with the list of measures from the study. However, SDG&E is not proposing fuel substitution measures within ESA Main. Rather, SDG&E is proposing to test implementation of fuel substitution measures in single family and mobile homes with the new Pilot discussed in Section 8. In this respect, SDG&E's goals are not aligned with the P&G Study scenarios regarding fuel substitution.

4.4.3. Other

There are no other proposed goals that would need alignment with the 2025 P&G study goals, nor is the study intended to be used directly for setting ESA goals. The results are not directly comparable and do not include all the same boundaries and limitations considered for the ESA decision goals.[50]

4.5. How the IOUs plan to prioritize the following complementary and/or competing policies and for contractors to deliver these services to income-eligible customers:

SDG&E recognizes the importance of balancing multiple policy goals within the ESA portfolio to ensure that income-qualified customers receive comprehensive, equitable, and impactful services. As the programs evolve to include electrification and fuel substitution, alongside traditional EE and weatherization measures, SDG&E proposes a structured approach to prioritization that reflects regulatory intent, customer needs, and operational feasibility. For contractors, SDG&E is not planning to incentivize one type of work or measure installation over another. Every household should receive all measures that are feasible, including HCS.

---

[50] 2025 Income Qualified Potential and Goals Study Final Report, Guidehouse (July 9, 2025) at viii, 1 and 52.

SDG&E's forecast for savings goals for the next cycle accounts for HCS measures along with a reasonable number of installations for homes treated, including both owners and renters.

4.5.1. Energy Efficiency

D.21-06-015 approved a shift away from the goal of treating all eligible and willing households towards a customer-centered prioritization model based on household needs and customer profile.[51] The customer-centered prioritization model seeks to maximize the individual household's energy savings and HCS benefits based on the household's unique profile. As such, the SDG&E's segmentation approach identifies and targets customers with the greatest location-based needs for energy savings and HCS benefits. EE measures are typically the priority for installation due to energy savings and bill savings potential, but they are also considered complementary services that can reduce energy cost burden and provide HCS co-benefits. For PY 2028-2033, SDG&E will use customer location-based data as well as operational and program participation data to identify and target customers for ESA program participation.

4.5.2. Weatherization

Public Utilities Code Section 2790 requires SDG&E to perform home weatherization services for low-income customers considering both the cost-effectiveness of the services and their ability to reduce customers' hardships. These typically include weatherstripping, caulking, insulation, and door and building envelop repairs that reduce air infiltration but may also include other building conservation measures, energy management technology, efficient appliances, and energy education. These services are intended to reduce energy burden and improve health,

[51] D.21-06-015, OP 56 at 483.

comfort, and safety. SDG&E will continue to prioritize weatherization ensuring that homes are optimized for energy performance.

4.5.3. Health, Comfort, and Safety (HCS) Measures

SDG&E agrees with the Commission's position in D.21-06-015 that HCS benefits are critical benefits of the programs but they should not be the only priority at the expense of energy savings goals and cost effectiveness guidelines.[52] It is SDG&E's intent to have ESA contractors consider HCS measures with the same level of enthusiasm and importance as all other measures, and deliver them when appropriate, based on the household's unique profile.

4.5.4. Fuel Substitution and Electrification:

In furtherance of SDG&E's support of long-term decarbonization, SDG&E aims to ensure fuel substitution and electrification measures do not inadvertently increase energy burden for vulnerable customers. As such, SDG&E is proposing the Pilot to test and learn how these measures can be implemented purposefully without having negative impacts. Electrification, fuel switching, and fuel substitution are essential to California's decarbonization goals but should be implemented thoughtfully within the ESA portfolio. In the proposed Pilot, SDG&E plans to:

- Focus first on low-income solar customers who are better positioned to absorb the operational cost shifts associated with electrification;
- Bundle electrification measures, such as heat pump water heaters, heat pump HVAC systems, and induction cooktops with EE upgrades, to offset potential increases in utility bills;

[52] D.21-06-015, Section 6.8.8.2, and COL 25 at 468.

- Include fuel substitution measures where appropriate, such as replacing natural gas furnaces or gas stoves with high-efficiency electric alternatives, especially in homes where gas infrastructure is aging or costly to maintain;
- Use data-driven targeting to identify homes where electrification or fuel substitution is both feasible and beneficial, based on factors such as solar generation, load profiles, and building characteristics;
- Ensure the Pilot program contractors can deliver measure bundles efficiently and clearly communicate the benefits and trade-offs to customers, including changes in utility usage patterns and potential bill impacts; and
- Explore the potential for fuel switching with customers currently relying on non-utility fuels such as propane, where fuel-switching to electric technologies can improve safety, affordability, and environmental outcomes, as described in Section 8.3.

Overall, SDG&E's structured approach to prioritizing these policies includes: (1) delivering what is in statute for the foundational EE and weatherization measures, (2) providing HCS measures when the benefits and impact are significant for the customer and help with program participation, and (3) thoughtfully deploying electrification and fuel substitution measures to ensure a positive outcome for the customer.

4.6. What are some of the methods that the IOUs can use to evaluate program effectiveness, including but not limited to:

4.6.1. Expenses as a percentage of budget

Expenses as a percentage of budget are not a strong measure of program effectiveness. It is a financial metric that can help identify trends in underspending or overspending in a particular budget category or overall, and can help identify inefficiencies or areas where adjustments may be needed. Financial indicators offer a clearer picture of whether funding is

being used effectively and equitably, and whether it is reaching customers in a way that supports program goals. This type of analysis is essential for guiding future budget planning and ensuring continuous improvement in program delivery, but it does not tell the full story of the portfolio's performance, as it focuses on budget spent rather than benefits delivered.

4.6.2. Goal and target achievement

SDG&E supports the method of evaluating portfolio effectiveness by measuring how well it meets its intended or projected goals and targets and delivers value. Recognizing that external factors may affect results or outcomes, this approach should provide context around the goal or target achievement rather than focusing solely on numerical results. To maintain accountability and alignment with regulatory directives and community needs, SDG&E proposes to continue tracking progress against established portfolio goals, such as energy savings and budget spend, and homes treated targets in the IOU's low income annual reports. Monitoring these metrics over time, along with the external influences or extenuating circumstances that impact progress, will help assess whether the ESA portfolio is effectively achieving its goals and delivering value.

4.6.3. Cost-effectiveness

Cost-effectiveness is a key factor in evaluating a program's overall impact. Since these programs are funded by ratepayers, it's important that resources are being used efficiently and delivering value. All ratepayers contribute to these programs, whether they directly participate or not. Therefore, maintaining accountability and being responsible stewards of ratepayer funds requires that cost-effectiveness remains a component in assessing program performance.

SDG&E recommends ESACET continue to serve as the primary cost-effectiveness test because it is the only methodology that comprehensively accounts for all benefits, including

NEBs, and the total costs associated with the ESA Program. Other tests, including TRC, PAC, RIM, and SCT, measure different aspects of cost effectiveness by accounting for certain inputs only and are used for informational purposes. See the required tests by year (PY 2026-2033) for the portfolio and individual programs in Attachment G, Table 5.

4.6.4. Program Administration and Customer Reach

SDG&E proposes to continue to track spending against authorized budgets for General Administration and to track customer reach against household treatment targets. Tracking and reporting the percentage of spend on the Administration budget line item alongside Household Treatment targets aligns financial indicators with program outcomes to help evaluate program effectiveness. Reporting these metrics ensures fiscal discipline and transparency, helping stakeholders see whether resources are being used as planned and ensuring the program is having the intended impact.

4.6.5. Customer benefits received in comparison to expenses per customer

SDG&E proposes to discuss customer benefits received in comparison to expenses per customer as a method to evaluate program effectiveness as part of the reporting and metrics collaboration efforts with ED as described in the Direct Prepared Testimony of Kazeem Omidiji Section V.B. Customer benefits can be tracked and reported in several ways from quantifiable bill savings to more qualitative description of HCS benefits. Benefits can differ widely across customer segments, making standardization difficult. Determining which benefits to prioritize and how to weigh them against costs requires collaborative input.

4.6.6. Customer benefits received, hardship reduced, etc.

In addition to financial metrics, SDG&E proposes to assess qualitative outcomes that reflect the broader impact of the ESA portfolio. Some of the benefits could include improved

indoor air quality and associated health outcomes, and customer-reported enhancements in HCS, satisfaction and hardship reduction. These indicators align with the ESA portfolio's equity mission and could be systematically captured through methods such as surveys, interviews, and case studies. This data can provide a holistic view of the programs and shows additional qualitative benefits that would otherwise not be observed. SDG&E intends to propose this topic for discussion at an IQP Workshop during the next cycle as described in Section 15.

4.6.7. Contractor workforce benefits and training received, etc.

As a strong contractor workforce is vital to the success of the portfolio, SDG&E recognizes the importance of monitoring key indicators that help describe the ESA portfolio's impact on the workforce. SDG&E proposes to continue to report on activities that directly support the development of a better skilled ESA workforce, such as describing when education and training events occur, the type, number of participants, and outcomes, as well as outcomes related to workforce diversity goals, such as reporting SDG&E's percentage of total ESA portfolio procurement utilizing Diverse Business Enterprises (DBE).[53]

5. ESA NON-ENERGY RELATED-GOALS

5.1. Annual and program cycle goals and targets (not related to energy, which are listed below)

5.1.1. Will the IOUs propose goals for non-energy achievements, such as households treated, customer bill savings, etc.?

SDG&E does not propose goals for non-energy achievements but does propose to continue to track the non-energy achievement such as households treated. While energy savings remain a central focus of the portfolio, SDG&E recognizes the importance of maintaining a

[53] CPUC General Order 156.

pathway to serve customers whose primary needs are HCS related. These types of measures may not always align with maximizing energy savings, but they are essential to fulfilling the broader mission of the ESA portfolio. This is why having a treatment target, as opposed to a treatment goal makes sense. However, the treatment target is secondary to energy savings goals as a driver of program success.

5.2. Propose that Health, Comfort, and Safety (HCS) activities be considered a non-energy goal.

While HCS outcomes are important and align with the ESA portfolio's broader mission of hardship reduction, SDG&E does not recommend establishing HCS activities as formal goals. D.21-06-015 directed the IOUs to track HCS and hardship reduction metrics and review them with the ESA Working Group to draw some conclusions in the midcycle progress report.[54] As explained in the report, there was not enough data collected under the new program designs to answer the questions of why or why not HCS and hardship reduction goals should be set; how they should be calculated and at what level should they be set. The IOUs recommended revisiting these questions during the next program cycle when at least three years of data would be available.[55] SDG&E supports this recommendation and proposes to address this topic in the next cycle during the proposed IQP Workshop sessions as described in Section 15.

6. ESA MAIN PROGRAM

SDG&E proposes to continue ESA Main in the upcoming cycle, introducing operational enhancements designed to support program goals, streamline processes, and improve participant

---

[54] D.21-06-015, OP 81 at 490.

[55] A.19-11-003, et al., Investor-Owned Utilities' Joint Energy Savings Assistance Midcycle Progress Report (December 20, 2023) at 30.

outcomes. As established in D.21-06-015, the program prioritizes services based on household needs rather than serving all eligible customers.[56] SDG&E will build on this targeted approach to ensure resources are used effectively, delivering the greatest benefit to those most in need while maintaining fiscal responsibility. The following section outlines SDG&E's proposed ESA Main budget, goals, and program structure for PY 2028-2033, reflecting the best practices and learnings from the current cycle.

6.1. ESA Main budget, goals, and program structure

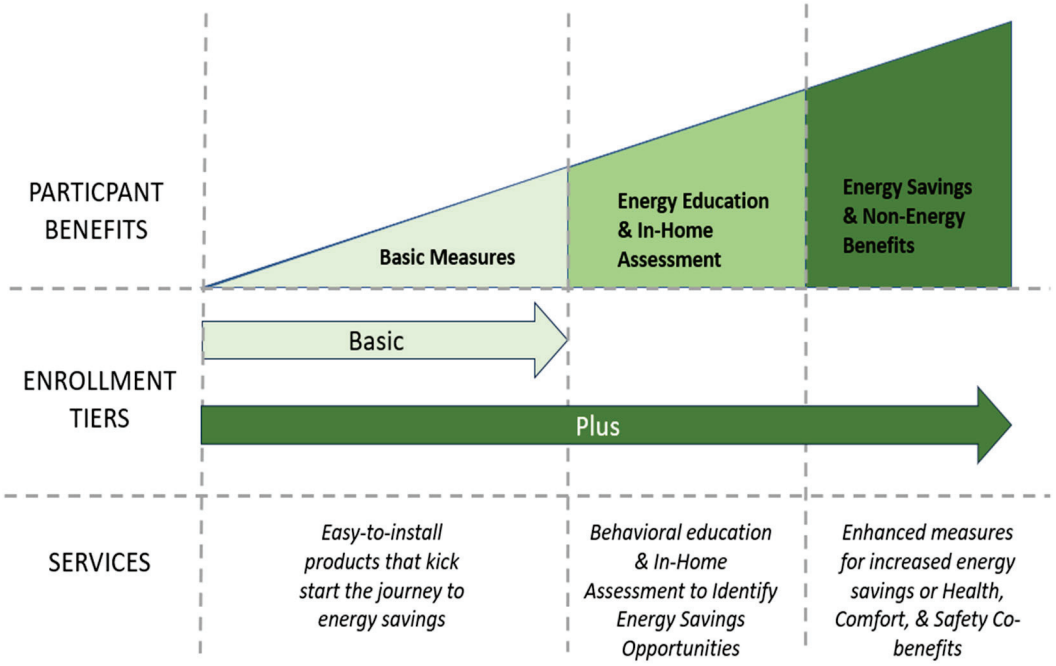
6.1.1. Proposed ESA Main Structure

For the proposed PY 2028-2033 cycle, SDG&E proposes enhancements to the program design with minor modifications. As previously described in Section 2, SDG&E proposes to use location-based segmentation, CBOs, and modified measure offerings to help generate interest, build trust, and ultimately drive program enrollment and participant benefits.

The proposed ESA Main model will continue to offer flexible enrollment through a tiered structure. The Basic tier provides easy-to-install measures like LED lighting, faucet aerators, and power strips without requiring proof of eligibility. The Plus tier requires participants to provide proof of program eligibility for more complex measures, such as weatherization and appliance installations, as shown in the ESA Main Participant Journey in Figure 7. SDG&E proposes enhancements to renter engagement, property owner outreach, and the use of enhanced Home Energy Savings Kits to overcome barriers to participation in the Plus tier as described in Section 2.3.

[56] D.21-06-015, OP 56 at 483.

Figure 7. ESA Main Participant Journey



SDG&E proposes to continue to deliver the ESA Main via a single-implementer model where one implementer utilizes sub-contractors to provide bookend services, from customer enrollment to project completion. This delivery model ensures a streamlined customer experience that allows flexibility to engage in specialized services as needed.

6.1.2. Proposed ESA Main Budget

SDG&E requests a budget of $132.7 million to implement the ESA Main Program for the 2028-2033 cycle. Annual budget levels are summarized in Attachment G, ESA Table 5b: ESA Main and Table 7 ESA Budget by Category. SDG&E's planning assumptions for ESA Main are presented in Attachment G, Table A-1.

SDG&E's proposed budget for ESA Main was prepared by reviewing the current cycle PY 2021-2026 approved budgets and spending in 2024. By 2024, the current program model reached a healthy state with spending at 83% of the authorized budget. The proposed budget for

the next cycle assumes ESA Main achieves its annual goals and targets and fully expends its annual budget by the end of the current cycle's bridge year 2027. In 2028, the proposed ESA Main budget is $20.4 million, a 7.4 percent decrease from 2027 levels. While SDG&E is not proposing significant modifications to the ESA Main design, SDG&E is proposing to conduct solicitations in 2027 for ESA Main implementation in 2028, once a decision has been issued for this application. SDG&E anticipates that ESA Main services and enrollments may modestly decrease from 2027 levels in PY 2028 while the program potentially shifts to a new implementer.

6.1.3. Proposed ESA Main Goals

SDG&E proposes a PY 2028-2033 ESA portfolio cycle goal for kilowatt hours saved, kilowatt demand reduced, and therms saved as described in Section 4. The ESA Main Program will help accomplish the portfolio-level goals through its aim to deliver deeper energy savings and HCS benefits for participants while considering cost-effectiveness. SDG&E presents its planning assumptions in Attachment G, Table 5b. These assumptions were largely based on projects completed in 2024, the first complete year of data under the ESA Main model approved in D.21-06-015.[57]

SDG&E is requesting flexibility to update energy savings goals in the MCAL, based on the findings of the next impact evaluation, if warranted. Additional information on this request is in the Prepared Direct Testimony of Kazeem Omidiji, Section V.C.

[57] D.21-06-015, OP 55 at 483.

6.2. Discussion of ESA Main program delivery best practices and other learnings from this current cycle that the IOU can implement for the next cycle

SDG&E provides the following best practices and operational learnings that inform program design in the next cycle:

- **Marketing and Outreach:** An overall strategic approach to marketing and outreach is critical to drive enrollments. In the current cycle, SDG&E deployed a coordinated mix of general awareness, direct marketing, and community partnerships to engage customers. In the next cycle, SDG&E will continue a close collaboration with the implementer(s) and other CBOs to build awareness and trust. This overall approach is described in more detail in Sections 10 and 14.
- **Online Audit:** The online audit did not achieve program efficiencies as anticipated. In the current cycle, online audits were expected to supplement the need for in-home assessments and aid in the prioritization of homes with the greatest energy savings potential. However, ESA Main found that the information needed during the audit was too extensive and specialized to expect a customer to provide via an online platform. SDG&E adapted its approach to the online audit by referring customers at the time of enrollment to SDG&E's Home Energy Survey available on SDG&E's My Energy Center portal.[58] In the next cycle, SDG&E proposes to continue to leverage existing resources that support customers' access to online audit tools as part of ESA services.

[58] SDG&E's Home Energy Survey is a five-minute survey that helps customers better understand their energy use and identify ways to improve the efficiency of their homes. Customized tips range from conservation to no-or-low-cost upgrades to long-term solutions that help reduce energy use and save money.

- **Enrollment:** The majority of ESA Main participants surveyed by SDG&E's research contractor, MDC Research, between January and June 2025 indicated that the application process is easy.[59] Of those surveyed, enrollment paths were distributed between in-person (37%), online (32%), and over the phone (24%), indicating the importance of providing various options for enrollment.[60] While the Basic tier was originally envisioned and promoted to aid ease-of-entry to the program, the ESA Main implementer found that customers at-large were willing to provide eligibility documentation to access more comprehensive measures.[61] For the next cycle, SDG&E proposes to maintain the Basic tier for customers who self-certify and for renters who are unable to obtain a POA. SDG&E will focus efforts on helping customers access more comprehensive measures with deeper energy savings while continuing to offer basic measures to those who qualify for them.
- **In Home Assessment and Energy Education:** ESA participants value the opportunity to discuss their questions and/or concerns specific to their homes' condition with an energy expert. In addition, SDG&E provides pre-approved energy education materials and proposes to review these materials for any updates based on the findings from the 2025 LINA study.
- **Renter Participation:** Obtaining the POA Form has a low success rate, which reduces the effectiveness of the program and limits the benefits for renters. In 2024, more than

---

[59] Over nine in ten (94%) ESA Main customers surveyed by MDC Research between January and June 2025 rate the enrollment process as "easy" or "somewhat easy."

[60] When asked 'How did you sign-up for the Program?" Responses: In Person (37%), Online (32%), Phone (24%), Don't Recall (5%), Other (2%).

[61] The Basic Tier does not require income/categorical documentation for basic measures, such as light bulbs, power strips and faucet aerators.

50% of ESA Main participants were renters but only about 25% of renter households were able to obtain a POA, based on data from the ESA Main implementer. Without a POA, the renter household does not qualify for the higher savings measures, like room air conditioners and refrigerators.[62] For the next cycle, SDG&E plans to include the opportunity for renters to receive a Home Energy Savings Kit consisting of basic measures if the POA cannot be obtained or while waiting for the POA to be signed. SDG&E will also develop and implement direct outreach strategies to engage property owners of income-qualifying rental properties.

- **Measures**: SDG&E's service territory poses a challenge in composing a measure mix that provides significant energy savings to residential customers due to mild climate which limits savings for many weather-related measures like air conditioners, furnaces and weatherization measures. However, it is these measures that attract customers to ESA Main, and participants who end up receiving these measures provide more positive feedback than customers who do not, as demonstrated in Figure 8.[63] These measures do not provide deep energy or bill savings in the majority of San Diego's service territory but save customers significantly on upfront expenses and contribute to improved quality of life. Meanwhile, LED light bulbs, power strips, faucet aerators, and low flow shower

[62] SDG&E 2024 Annual Report at ESA Table 16A.

[63] Based on customer satisfaction surveys conducted by MDC Research between July 2024 – June 2025.

heads can be deployed in large quantities at low cost and deliver a significant portion of ESA Main's total program energy savings.[64]

In the next cycle, SDG&E proposes to continue offering an optimized mix of measures that support both energy savings and HCS benefits for its customers. SDG&E proposes to review its measure mix on an annual basis and leverage the Measure Offering Modification Protocol approved in D.21-06-015 to modify, add, and remove measures.[65]

Figure 8: ESA Program Focus Group Participant Verbatim Feedback

"They did the weather stripping around the front door. That was a big difference, because there was a draft and a pretty decent size gap... And then just in general, them going through the house and checking everything was pretty impressive to me... But it was nice for them to check all the appliances, and see if anything needed to be replaced right away, or what did it look like in terms of life usage and then also electricity, EE, all that kind of stuff."
- Participant (Owner) | Chula Vista

"The furnace got me. I'm in. Mine would cost $18,000 to replace. If they cover it, I'd do it."
- Participant (Owner) | San Diego

"...the refrigerator was a big deal too. It was quite a difference between our old... high-energy using [one]. So, getting a new fridge, it was quieter. You didn't hear it humming in the middle of the night anymore. So those are all things that I thought had an impact."

Source: SDG&E ESA Customer Focus Groups conducted by MDC Research, September 2025

[64] In 2024, LEDs and power strips combined represented 35% of ESA Main's total electric savings and Other Domestic Hot Water Measures (faucet aerators, showerheads, and thermostatic shower valves) delivered 85% of the program's overall gas savings (SDG&E 2024 Annual Report at ESA Table 2 – ESA Main).

[65] D.21-06-015, OP 61 at 484-485 and OP 69 at 486.

6.2.1. Incorporation of previous cycle pilots

SDG&E's PPPD experienced a later than expected start due to the unsuccessful results of two open competitive solicitations, which resulted in SDG&E requesting to modify requirements ordered in the decision for PPPD.[66] SDG&E submitted two requests to the Executive Director of ED to extend the time to comply. In addition, SDG&E filed an advice letter requesting to modify open solicitation requirements to a sole-source approach using a shortlist of qualified implementers.[67] As a result, SDG&E executed the contract in January 2024, approximately 18 months later than expected. To date, SDG&E has treated a minimal number of homes and has gained limited insights from the ESA PPPD program. Given these results, SDG&E will maintain the existing structure of ESA Main and incorporate any relevant lessons learned into ESA Main once the PPPD evaluation has concluded.

7. ESA MULTI-FAMILY WHOLE BUILDING (MFWB) PROGRAM:

SDG&E proposes to continue the MFWB Program in the upcoming cycle, with proposed changes to improve delivery and outcomes. As established in D.21-06-015, the current MFWB Program is a regionally administered, third-party designed and delivered initiative that provides comprehensive EE services to eligible multifamily properties. The program includes both in-unit and CAM energy-saving measures, supporting whole-building upgrades that reduce energy consumption and enhance tenant comfort. Eligibility for the MFWB Program includes two categories of multifamily properties:

---

[66] *Id.*, OP 42 at 480, required the solicitation to launch by the second quarter of 2022.

[67] SDG&E submitted Advice Letter 4099-E/3134-G, approved November 18, 2022 and effective November 25, 2022.

- **Deed Restricted Properties:** These are multifamily residential complexes that are legally bound by a recorded deed restriction to provide affordable housing. They are typically financed through mechanisms such as Low-Income Housing Tax Credits (LIHTC), tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, as outlined in OP 155 of D.21-06-015.
- **Non-Deed Restricted Properties:** These are multifamily properties that do not have a formal deed restriction but still qualify based on tenant income eligibility criteria. These properties must demonstrate that a sufficient percentage of residents meet the income thresholds established for program participation.

As directed by D.21-06-015, SDG&E was designated as the lead administrator for the Southern California region, which includes the service territories of Southern California Edison (SCE) and SoCalGas. PG&E serves as the lead administrator for the Northern California region.[68] The following section outlines SDG&E's proposed MFWB Program budget, goals, and structure for the next cycle, reflecting lessons learned and stakeholder feedback from the current implementation.

7.1. MFWB Program budget, goals, and structure

7.1.1. Challenges with the Regional MFWB Program Model

While the regional model was designed to enhance program coordination across IOUs, several operational and structural challenges have emerged:

- **Administrative Inefficiencies:** Coordinating a regional program across multiple IOUs with distinct systems has introduced significant complexity. Each IOU remains

[68] D.21-06-015, OP 120 at 501.

responsible for its portion of the program, which adds layers of oversight and slows decision-making. The involvement of numerous stakeholders makes it difficult to implement timely changes, while the lead utility bears a disproportionate administrative burden, resulting in increased overhead and resource strain.

- **System Complexity and IT Burden:** The program's design also introduced system complexities, especially when tracking expenditures and performance by utility, as each IOU's goals are tied to its respective ESA portfolio goals. Additionally, efforts to apply cost-sharing between participating utilities added further system complexities. During the current cycle, system issues at the lead utility resulted in invoicing delays across all three IOUs, disrupting program performance and creating downstream impacts on the implementer and workforce, compounding operational challenges and straining resources.
- **Data Security and Privacy Risks:** Under the current regional model, data from all three IOUs could not be centralized, and attempting to do so would pose significant cybersecurity and operational risks, particularly for the lead IOU in the event of a breach. Currently, SDG&E is collecting enrollment data for the three southern utilities and managing Personally Identifiable Information (PII) across IOU boundaries which has introduced significant cybersecurity risks. Under the regional model, SDG&E is required to store and process customer data from other utilities, increasing its exposure in the event of a breach. A locally administered model mitigates these risks by keeping data management within each utility's own infrastructure. This approach mitigates data security, simplifies compliance with privacy regulations, and eliminates cross-utility vulnerabilities, ensuring safer, more accountable program operations.

- **Implementer Strain:** The regional program structure has placed a significant burden on the implementer due to the lack of centralized systems across the IOUs. To perform essential tasks, such as customer account validation and previous participation checks, the implementer needs to navigate multiple IOU platforms, depending on the customer's utility company. This fragmented approach increases administrative workload, introduces opportunities for error, and slows down service delivery. Additionally, the scale and complexity of the regional model have made it difficult to implement program changes in a timely manner. Even minor adjustments require coordination across multiple stakeholders and utilities, delaying responsiveness and reducing operational agility. These challenges have led to increased staffing needs, reliance on additional subcontractors, and greater resource strain on the implementer, ultimately impacting the overall program performance, increasing implementation costs and affecting the customer experience.
- **Territory-Specific Challenges:** Each IOU's service territory is distinct, presenting unique implementation challenges that are difficult to address under a centralized regional model. For example:
    - SDG&E initially went to market with competitively-priced contracts tailored to its local workforce. However, higher contractor wages in the Los Angeles area drove up program costs when SDG&E adjusted rates to remain competitive across the region. This cost increase inadvertently impacted cost-effectiveness in San Diego, where labor costs were previously lower, highlighting the impacts of applying uniform pricing across diverse service areas.

- SoCalGas serves a diverse customer base that overlaps numerous municipalities, cities, and water agencies, creating complex coordination requirements and partnerships that were out of scope under this program's design. In the previous cycle, SoCalGas was able to support broader service delivery through contracts that allowed electric measures to be included when customers were served by overlapping municipal utilities, e.g., Los Angeles Department of Water and Power (LADWP). This flexibility enabled more comprehensive upgrades for eligible households. Under the current program structure, measures are only installed when the customer receives service from one or more of the participating Southern IOUs (SDG&E, SCE, or SoCalGas), but not any other utilities. This shift has created gaps in service delivery for SoCalGas customers who are otherwise eligible but do not fall within the joint Southern IOU enrollment framework, limiting access to comprehensive upgrades.
- Some customers in SCE's territory experienced misalignment between the Southern MFWB Program and SCE's ESA Main program. For example, in SCE's territory, refrigerator replacement is offered as a Basic measure under the ESA Main Program, and in some cases, installations have occurred without requiring a POA form. In contrast, under SDG&E's ESA MFWB Program, refrigerator replacements are considered a Plus measure and require POA approval. These inconsistencies in measure classification and eligibility requirements created confusion for customers in that region.

A locally administered model would enable each utility to more effectively navigate its unique service territory and operational landscape, align with its ESA Main program, and deliver a more efficient, responsive, and customer-focused experience.

- **Workforce and Delivery Model Challenges**: The current program structure introduced two distinct workforces, ESA subcontractors for in-unit treatments and Trade Allies selected by property owners for CAM installations. While intended to leverage existing contractor relationships, many property owners lacked such connections and preferred implementer support in contractor selection on CAM projects. The bidding process for Trade Allies proved time-consuming and misaligned with program incentives, increasing CAM project timelines from 6–8 months under the previous ESA CAM framework to 12–18 months under initial Southern MFWB Program implementation. Although refinements in 2024 reduced timelines to 10–13 months, the process continues to exceed previous timelines. In response to this feedback, SDG&E and its implementer began pivoting to a direct install model within the current program for property owners who lack established contractor relationships. Building on this experience, SDG&E seeks to formally adopt the direct install model for the next cycle, launching the program with a streamlined delivery structure from the outset.

7.1.2. Benefits of a Local MFWB Program Model

Transitioning to a locally administered MFWB Program offers a range of strategic, operational, and customer-focused benefits that directly address the challenges experienced under the regional model:

- **Enhanced Customer Experience:** A locally administered model that retains the whole building model enables a more streamlined and responsive enrollment process, offering

whole building treatment and allowing property owners to self-certify eligibility. This approach reduces the number of customer touchpoints and avoids the extended wait times often associated with the regional model, resulting in a more efficient and user-friendly experience.

- **Improved Operational Efficiency:** A local model streamlines program delivery by eliminating the need for complex system integration. This streamlined structure simplifies decision-making and enables faster implementation of program changes, improving agility and responsiveness at the utility level.
- **Reduced IT Complexity and Risk:** A locally-administered model allows each utility to manage its own data systems, significantly reducing cybersecurity risks and operational burden. Local administration also simplifies system architecture by eliminating the need to coordinate across multiple platforms and utilities. This reduction in system complexity leads to more stable invoicing and reporting processes, minimizes disruptions for subcontractors, and enables faster troubleshooting and program adjustments. Ultimately, these efficiencies contribute to improved program performance, allowing SDG&E to be more responsive to customer needs and more effective in delivering energy saving services.
- **Support for Innovation and Equity:** Local administration lowers barriers to entry for small to mid-sized implementers and CBOs, fostering innovation and equity. It allows utilities to try new approaches, adapt quickly to feedback, and incorporate lessons learned without needing consensus across multiple IOUs.

7.1.3. Proposed MFWB Program Structure

For the PY 2028-2033 cycle, SDG&E proposes to modify the Southern MFWB Program structure from the current regional program to a local utility designed and administered program using a third-party implementer. This proposal is based on the challenges and lessons learned from the current program and the benefits of a local program as described in Sections 7.1.1. and 7.1.2.

The proposed model will continue to offer no-cost EE measures to eligible multifamily properties, connecting property owners with comprehensive improvements that support long-term reductions in whole-building energy consumption. The integration of CAMs with in-unit treatments will enable a holistic approach that addresses all major end uses, including building envelope, domestic hot water, heating and cooling systems, lighting, appliances, plug loads, and other multifamily-specific systems.[69] Services will continue to be available to both deed-restricted and non-deed-restricted multifamily properties housing residents who meet the income eligibility criteria.[70]

The program will deliver in-unit and CAM services through a single, integrated structure designed to maximize energy savings and streamline implementation. By keeping in-unit and CAM treatments together under a whole building enrollment model, the program offers significant benefits to property owners and managers, including simplified coordination and measure bundling, reduced administrative burden, and the ability to achieve deeper, more comprehensive energy savings across the entire property. This integrated program model makes participation more attractive and impactful for multifamily stakeholders. As shown in Section 2

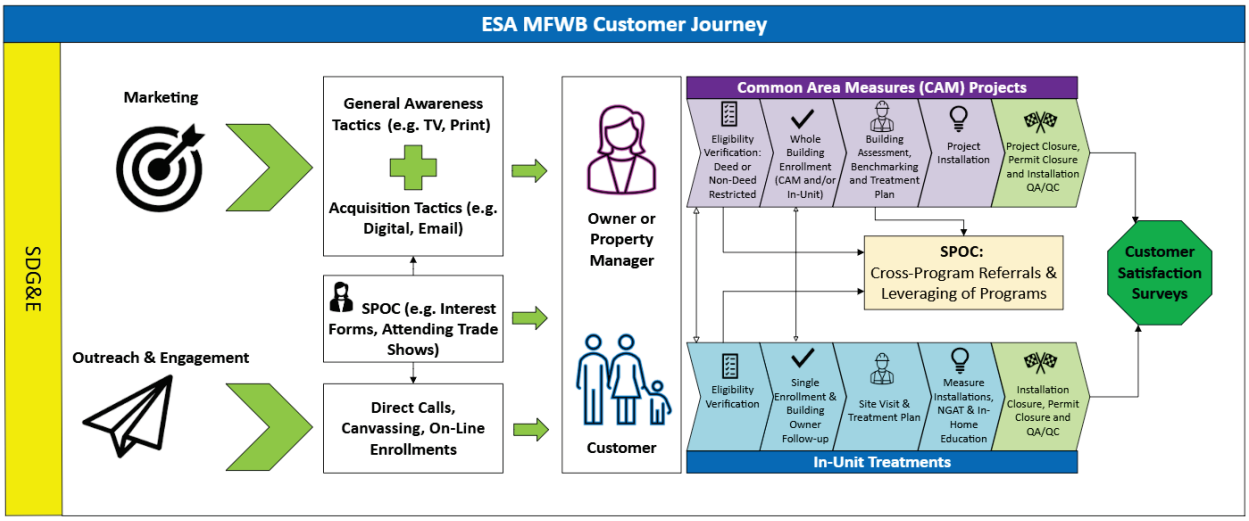
---

[69] *Id*., OP 119 at 501.

[70] *Id.,* OP 133 at 504 and OP 134 at 505.

Table 6, the ESA MFWB Program installs a greater number of in-unit measures compared to ESA Main as shown in Section 2 Table 4. This is largely due to the program's structure, which requires the POA to be collected upfront at the property level. This early authorization facilitates access to multiple units and enables the delivery of a more complete set of measures, reinforcing the value of whole building enrollment and the efficiency of the MFWB Program model. To support this program structure and demonstrate how multifamily customers will interact with the MFWB Program from initial engagement through project completion, SDG&E has developed a customer journey process flow. Figure 9 presents the key touchpoints, decision paths, and services offered through the integrated program model, highlighting how the SPOC, intake processes, and measure delivery work together to streamline participation and maximize impact.

Figure 9: MFWB Program – Customer Journey Process Flow



In contrast to the current regional administration model, SDG&E proposes a locally administered program tailored to the specific needs and characteristics of its service territory. This localized approach will minimize the layers of stakeholder approvals necessary to incorporate changes, making it for a more responsive and targeted program delivery.

While whole building treatments remain a central focus, the program will continue to accommodate the diverse needs of multifamily properties by offering flexible enrollment options. Property owners may choose to participate through in-unit only, common area only, or combined whole-building enrollment. Additionally, for properties not pursuing whole building treatment, the program will offer two tiers of in-unit services, Basic and Plus, mirroring ESA Main. The Basic tier will include easy to install measures such as LED lighting, advanced power strips, and faucet aerators. The Plus tier will provide deeper energy savings through more resource-intensive upgrades. To further illustrate the proposed changes, Table 19 provides a side-by-side comparison of the current MFWB Program and SDG&E's proposed approach for PY 2028–2033, along with justifications for each recommended update.

Table 19: MFWB Program Comparison

Category	OP	Current Program	Proposed	Justification
Program Structure	133 & 134	Regionally administered program using third party design and implementation; separate workforces for in-unit and CAM.	Locally administered program with IOU design that offers direct install model integrating in-unit and CAM services with third party implementation.	Direct install model reduces delays from bidding and contractor selection; improves efficiency and responsiveness to property owner needs.
Program Eligibility Guidelines	133, 134, &135	Properties with 5+ units; 65% income-qualified for deed-restricted, 80% for non-deed-restricted; allow self-attestation.	No changes to current program eligibility guidelines.	Enhances the customer experience by streamlining enrollment; aligns with OPs 133, 134, &135; reduces administrative burden for implementer and subcontractors.
Program Incentive	138	50% co-pay for CAM in non-deed-	No changes for CAM on non-deed-	Continues to offer ESA services to non-

Category	OP	Current Program	Proposed	Justification
Guidelines (Copay)		restricted; full subsidy for in-unit measures; up to 100% CAM subsidized cost for deed-restricted.	restricted and deed-restricted. Adding copays on certain in-unit measures, to align with ESA Main.	deed restricted properties, aligning with OP 138. Aligning with ESA Main will avoid customer confusion.
Multifamily Property Definition	156	Properties with five or more units, each unit must be physically connected (sharing a wall or floor/ceiling) with at least one other unit.	Properties with five or more units, including standalone units within a qualifying complex.	Updating the definition allows treatment of standalone units within multifamily complexes, improving customer experience and reducing administrative barriers and subcontractor confusion.
Program Tenant Protection Agreement (TPA)	139	Tenant Protection Agreement (TPA) required as a standalone document for enrollment per OP 139	Remove TPA; incorporate AB 1482 protections into program terms and conditions.	Leveraging state protections like AB 1482 provides rent caps and eviction protections; removing TPA reduces administrative burden and encourages participation while maintaining tenant safeguards.
Program Goals		Goals based on regional targets; limited flexibility for territory-specific adjustments.	Goals calibrated to SDG&E's territory using 2024 performance data; focus on measure mix due to mild climate.	Territory-specific goals reflect actual performance and climate constraints; enable more realistic and achievable savings targets.
Program Budget	150 and 181.6.	Budget based on regional allocation; slower expenditure rate; limited	Budget based on SDG&E's share of regional program; includes 3%	Flexible budget structure supports consistent delivery and infrastructure

Category	OP	Current Program	Proposed	Justification
		flexibility for fund rollover and shifting.	escalation, Minor Home Repair, and allows rollover and fund shifting.	readiness, in accordance with D.21-06-015, OP 150 and 181.6.
Electrification Budget		Electrification measures offered selectively; no formal remediation support; property owners bear infrastructure upgrade costs.	Continue offering electrification measures as part of the program with the addition of a small remediation budget to support CAM electrification projects.	Remediation support addresses infrastructure barriers and encourages broader adoption of electrification measures; aligns with decarbonization goals.

7.1.4. Definition of Multifamily Property:

D.21-06-015, OP 156 defines a multifamily building as "having five or more units, and that each unit must be combined (sharing a wall or floor/ceiling) with at least one other unit, since often in California there are low-rise apartments which may not have all five units connected." This definition excludes detached or stand-alone units from participating in the MFWB Program. As a result, eligible standalone units, such as those located within multifamily complexes but not physically connected, are often redirected to ESA Main. This requires separate enrollment and introduces unnecessary barriers for customers, including confusion for subcontractors and delays in service delivery. To improve customer experience and streamline implementation, SDG&E recommends updating the multifamily definition to allow the MFWB Program to treat standalone units that are part of a qualifying multifamily complex. SDG&E proposes the following definition for multifamily properties:

Multifamily properties are defined as a residential building or group of buildings under common ownership, or management, containing five or more dwelling units

intended for long-term residential occupancy. These units may be attached, detached, or semi-detached and may span across multiple sites, provided they operate as a unified residential community.

This revised definition supports the inclusion of diverse housing configurations, such as garden-style layouts and ensures that all feasible units can be treated under the MFWB Program without unnecessary referrals or enrollment hurdles.

7.1.5. Streamlining Enrollment While Maintaining Tenant Protections

SDG&E recommends removing the TPA requirement from the MFWB Program enrollment process in the next cycle as previously ordered under D.21-06-015, OP 139. Instead, SDG&E recommends leveraging compliance with existing state tenant protection laws, such as California's AB 1482. Rather than a standalone document, the utilities could add the state protections into the program's enrollment forms under the terms and conditions.

AB 1482 provides robust, statewide tenant protections that apply to most multifamily properties in SDG&E's service territory. These protections include:

- **Rent Cap:** Annual rent increases are limited to 5% plus the local Consumer Price Index (CPI), with a maximum cap of 10%, helping prevent sudden or excessive rent hikes;
- **Just Cause Eviction Protections:** Landlords must provide a valid reason for evicting tenants who have lived in a unit for 12 months or more. For no-fault evictions, landlords are required to offer relocation assistance equal to one month's rent;
- **Applicability:** These protections apply to most multifamily properties built before January 1, 2005, unless exempted (e.g., single-family homes not owned by corporations or properties under stricter local rent control laws); and

- **Non-Waivable Rights:** Tenants cannot waive these protections, and landlords are required to notify tenants of their rights under the law.

Considering the extensive safeguards already provided in AB 1482, requiring a separate TPA introduces redundancy and administrative burden that can deter property owner participation. By referencing applicable state laws directly in the enrollment documents rather than requiring a standalone agreement, the program can streamline the enrollment process, maintain strong tenant protections, and encourage broader participation from property owners. This approach supports the program's overarching goal of improving accessibility and operational efficiency.

7.1.6. MFWB Program Electrification Strategy

SDG&E will continue to offer electrification measures through the MFWB Program for both in-unit and CAM projects. While replacement of all feasible measures from gas to electric has not been widely adopted under the current program, many property owners have expressed interest in installing select measures, most commonly heat pump water heaters and efficient heat pump pool heaters. These measures are often selected because they can be installed independently of whole building retrofits and typically align with existing equipment replacement cycles, making them more practical to implement. Additionally, these technologies are known for their energy efficiency, which can lead to lower operating costs over time compared to conventional systems, even though upfront costs may be higher. The MFWB Program will continue to offer a broad suite of electrification options, including induction cooktops, dryers, water heaters, and HVAC systems.

Despite these offerings, widespread adoption of whole-building electrification remains challenging due to several persistent barriers. Many older multifamily buildings lack the

electrical infrastructure needed to support increased loads, and the cost of upgrading these systems can be prohibitive. Additional concerns, such as reliability, maintenance requirements, space limitations, and the potential for increased utility bills for tenants, can further discourage participation.

To address infrastructure-related barriers to electrification, SDG&E proposes incorporating a remediation budget of approximately $3.4 million in the PY 2028-2033 cycle. This budget would help support the installation of both in-unit and CAM, modeled after the Minor Home Repair (MHR) approach set in D.21-06-015.[71] The proposed budget includes:

- Approximately $3.3 million allocated for in-unit remediation efforts; and
- Approximately $0.1 million allocated for CAM project upgrades.

This approach is designed to offset the financial burden of necessary infrastructure improvements and encourage broader adoption of electrification measures. SDG&E budgeted approximately 10% of treated households and 10% of CAM projects to participate in electrification efforts during PY 2028-2033. The proposed remediation budget is intended to make installations more feasible, particularly for income-qualified customers and multifamily properties, but is not expected to cover the full cost of infrastructure upgrades. SDG&E will seek to leverage other funding sources and layer incentives, such as TECH Clean California, local programs, or federal initiatives to help address remaining remediation needs and ensure successful implementation.

[71] D.21-06-015, OP 68 at 486, increased the allowable MHR cap to $2,500.

7.1.7. MFWB Program Budget

As described in Section 7.1.3, SDG&E is proposing a locally administered MFWB Program for the PY 2028–2033 cycle. SDG&E proposes a budget of $54.4 million for the implementation of its local MFWB Program for PY 2028-2033. Annual budget levels are summarized in Attachment G, Table 5c: ESA MFWB and SPOC, and Table 7 ESA Budget by Category. SDG&E's planning assumptions for the MFWB Program are presented in Attachment G, Table A-1a ESA MFWB Planning.

The proposed PY 2028-2033 budget supports a direct install delivery model that integrates both in-unit and CAM, and is tailored to meet the needs of SDG&E's service territory. SDG&E requests the flexibility of a PY 2028-2033 budget that allows for unspent and uncommitted funds to roll over to the following year, as approved in D.21-06-015.[72]

The budget was developed by analyzing SDG&E's share of the regional Southern MFWB Program budget from the current cycle (PY 2021–2026), using actual expenditures through 2024, the most recent year with complete data. Additionally, the proposed budget accounts for a ramp-up period in 2028, recognizing the time needed to transition to the new program structure, onboard the third-party implementer, and re-engage multifamily stakeholders under the locally administered model.

7.1.8. MFWB Program Goals

SDG&E proposes PY 2028-2033 ESA portfolio cycle goals for kWh savings, kW demand reduction, and therm savings described in Section 4. These goals are informed by annual measure installations and savings assumptions summarized in Attachment G, Table 5b:

---

[72] *Id.,* OP 181 at 520.

ESA Main, Table 5c: MFWB and SPOC and detailed in Table A-1 ESA Main Planning, and ESA Table A-1a ESA MFWB Planning.

The MFWB Program plays a critical role in achieving these portfolio-level goals by delivering comprehensive EE upgrades to a diverse range of multifamily properties, both in-unit and CAM installations. Through a unified direct install delivery model, the program aims to achieve deeper energy savings while enhancing the customer experience by minimizing administrative complexity and reducing project timelines.

Projected annual treatment targets and energy savings goals for PY 2028–2033 are outlined in Attachment G, Table 5 ESA Savings Budget CE, Table 5c and Table 6 ESA HH Treatment Targets. The annual forecasted goals are informed by SDG&E's performance in 2024, the most recent year with complete data from the current cycle and have been calibrated to reflect the unique characteristics of SDG&E's service territory.

7.1.9. Discussion incorporating Northern/Southern MFWB structure best practice/lessons learned/challenges

As described in Section 7.1.3, SDG&E proposes transitioning the MFWB Program from a regional model to a locally administered structure in the PY 2028-2033 cycle. This shift is informed by operational challenges, stakeholder feedback, and lessons learned during the current PY 2021-2026 cycle, and is intended to improve responsiveness, reduce administrative complexity, and better serve the unique needs of each utility's service territory. Although each IOU will be administering its own MFWB Program within its service territory, SDG&E will continue to meet with the other IOUs to share best practices and lessons learned. The ESA WG, TAC, and LIOB meetings are regular opportunities to share information.

7.2. MFWB Program Design

7.2.1. Discussion of Single Point of Contact (SPOC) designs and services best practice/lessons learned/challenges

7.2.1.1. SPOC Design

The SPOC is designed to serve as a "true one stop model" for multifamily property owners, managers, and tenants, facilitating seamless access to EE and clean energy programs.[73] SDG&E's SPOC services are designed to meet this directive, providing comprehensive program coordination across multiple offerings, and ensuring cross utility referrals.

SDG&E's SPOC model has emerged as a critical strategy for simplifying program navigation and improving customer experience. It streamlines intake, coordinates referrals, and supports implementation, reducing administrative burden and increasing participation among multifamily properties. In cases where a property owner has additional properties outside SDG&E's service territory, referrals are made to the appropriate utility SPOC, maintaining continuity of service across the utilities. SDG&E proposes to retain the SPOC service function in-house, ensuring direct accountability and consistent quality of service.

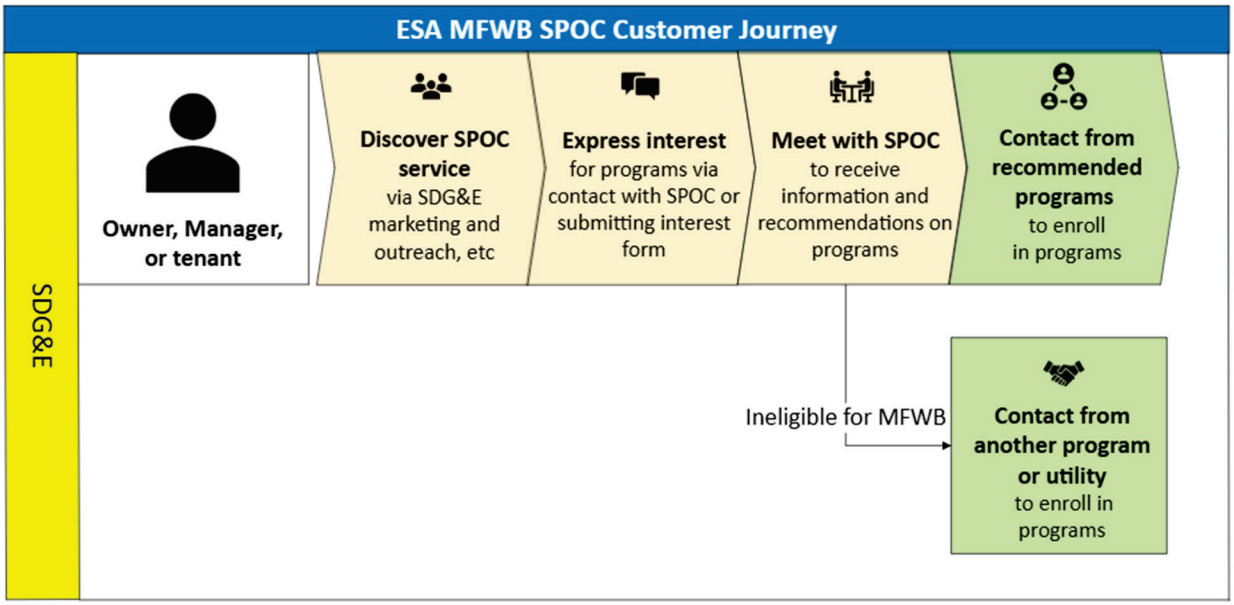
When a multifamily property owner or manager expresses interest in participating in SDG&E's MFWB Program, the SPOC provides personalized guidance on relevant program offerings and eligibility criteria. If a property does not qualify for the MFWB Program, the SPOC provides guidance and facilitates referrals to other relevant EE and/or financing programs, ensuring no customer is left without support. Depending on the availability of internal and external programs, the SPOC process includes the referral or layering of programs, including

[73] D.21-06-015, OP 130 at 504.

those offered through SDG&E, state, or regional program providers. The current list of programs includes, but is not limited to:

- **Low Income:** ESA Main;
- **Energy Efficiency:** Residential Zero Net Energy Transformation, Golden State Rebates, Comfortably CA, Statewide Plug-Load and Appliance Program;
- **Decarbonization/electrification:** Equitable Building Decarbonization (EBD) Direct Install program, San Diego Regional Energy Network (SDREN) multifamily program, CA Energy Smart Homes, California Electric Homes;
- ; Solar On Multifamily Affordable Housing (SOMAH), Self-Generation Incentive Program (SGIP), TECH Clean California (TECH) Multifamily Incentives;
- **Financing:** On Bill Financing and GoGreen Financing;
- **Clean Transportation:** Power Your Drive, Reliable, Equitable, and Accessible Charging for Multi-family Housing, Fast Charge California, Alternative Fuel Vehicle Refueling Property Credit, Transportation Electrification Advisory Services; and
- **Water Saving:** San Diego County Water Authority's Direct Install Program.

Figure 10: SPOC Customer Journey.



7.2.1.2. Delivering benchmarking services via EPA Portfolio Manager

The SPOC connects customers to educational benchmarking resources and SDG&E's benchmarking subject matter expert for personalized assistance. This service helps property owners understand their energy usage and identify opportunities for improvement, supporting informed decision-making. The SPOC will continue to support property owners and managers in PY 2028-2033.

7.2.1.3. Offer financial services to qualified deed-restricted multifamily properties

The SPOC refers deed-restricted multifamily property owners or managers to financial services including financing via the utility On-Bill Financing (OBF) or GoGreen Financing program if the project qualifies. These financial services support customers who participate in the MFWB Program when incentives do not fully cover the cost of upgrades, enabling deeper retrofits and broader participation.

7.2.2. Best Practices and Lessons Learned

The following are the SPOC best practices and lessons learned:

- Centralized coordination improves program uptake and reduces confusion among multifamily stakeholders;
- In-house SPOC staffing ensures program knowledge is retained, and customer relationships are nurtured over time; and
- Cross-program alignment allows for more holistic solutions, especially when properties are eligible for multiple offerings.

7.2.3. Challenges

The following are the SPOC challenges:

- Complex eligibility criteria across programs can create confusion. SPOC staff must be well-trained to navigate these nuances.;
- Data sharing limitations between utilities can hinder cross-territory coordination; and
- Resource constraints may impact the SPOC's ability to provide deep engagement for every customer, especially as program offerings expand.

The SPOC model remains a promising and scalable approach for integrated service delivery across California's income-qualified programs. By continuing to centralize coordination, offering tailored guidance, and facilitating access to a wide array of programs and financial services, the SPOC enhances program accessibility and supports deeper engagement across diverse customer needs. The SPOC can evolve to meet the needs of multifamily

customers and support the state's equity and decarbonization goals through continued investment in education, analytics, and inter-utility collaboration.

7.2.3.1. Multifamily Central Portal (MCP)

D.21-06-015 directed the IOUs to develop a statewide online multifamily application portal, referred to as MCP, using statewide ESA ME&O funding of up to $500,000.[74] The intent was to create a centralized, user-friendly platform for multifamily property owners, managers, and tenants to access EE programs.

SDG&E proposes discontinuing further utilization and investment of the MCP in the PY 2028-2033 cycle for the following reasons:

- **Limited Functionality:** While the MCP was envisioned as a comprehensive enrollment tool, allowing customers to apply for the MFWB Program, track applications, and submit forms, it ultimately served only as an interest form. The development required significantly more resources than originally anticipated and did not achieve its intended scope.
- **Redundancy with Existing Tools:** The basic functionality offered by the MCP is largely duplicative. SDG&E and its program implementer already maintain effective interest forms and intake processes tailored to local needs.
- **Cost Efficiency and Budget Prioritization:** Given the limited utility of the MCP and the availability of more effective localized tools, SDG&E does not consider continued development of the portal to be a necessary or efficient use of program funds. Accordingly, SDG&E has not included any funding for the MCP in its proposed budget

[74] *Id*., OP 126 at 503.

for the PY 2028-2033 cycle, opting instead to prioritize direct program delivery and customer engagement.

- **Established Local Intake Process:** Since the MCP's development has concluded, SDG&E recommends transitioning fully to its existing SPOC intake process. This approach provides a streamlined and responsive experience for property owners, managers, and tenants seeking access to multifamily programs, including the MFWB Program.

8. ESA NEW PROGRAMS AND PILOTS

8.1. An update on the IOUs' new and proposed programs and pilots and if/how they will be continued and/or incorporated in the ESA portfolio:

8.1.1. The deeper energy savings—SDG&E PPPD: Implementation Summary and Transition Rationale

In accordance with D.21-06-015 and subsequent Commission guidance, SDG&E implemented PPPD to evaluate the feasibility of achieving deeper energy savings (up to 50% per household) among income-qualified customers residing in hot climate zones.[75] PPPD was designed to target high-usage households in SDG&E's Climate Zones 10, 14 and 15. PPPD provides more advanced energy savings measures tailored to customer needs that complement and build upon the ESA Main measure packages.

Despite the program's strategic intent, implementation challenges significantly limited its effectiveness. PPPD faced multiple delays during its launch, primarily due to insufficient proposals and challenges in identifying a qualified bidder. Due to these challenges, SDG&E requested multiple extensions and modifications to the solicitation process through several

[75] *Id.,* OP 38 at 479.

advice letters, resulting in a delayed implementation of two years.[76] SDG&E's requests were approved, and an implementation contract was executed in January 2024. However, PPPD continued to face operational barriers, including system integration issues and low customer participation.

These participation challenges stemmed from several interrelated factors. The number of feasible households in Climate Zones 14 and 15 was significantly lower than anticipated. Many of these households rely on propane as a primary fuel source, which disqualifies them from receiving most ESA services. In addition, outreach efforts encountered difficulties in building trust and awareness, particularly in remote and underserved communities.

While these barriers limited the current pilot's treatments and data collection, the PPPD pilot yielded critical insights that can inform future program design and implementation. Key learnings from this pilot are as follows:

- Location-based segmentation is more effective than usage-based targeting for outreach and enrollment;
- Customers who already have or are planning to install solar and/or battery storage are more likely to benefit from electrification measures;
- CBOs are critical partners in building trust and facilitating participation;
- Customer education regarding measure benefits and bill impacts is essential to support informed decision-making;
- Propane-dependent households require alternative strategies to access ESA benefits;

[76] SDG&E Advice Letter 4223-E/3196-G, approved June 13, 2023 and effective June 8, 2023.

- Combining ESA Main with the new Pilot scope of work in the program solicitation may attract more bidders; and
- Adequate time to prepare for IT and data systems requirements is required.

The learnings referenced above are consistent with observations from the other IOU PPPD programs. SCE's Building Electrification (BE) Pilot, while still under evaluation, has similarly highlighted the importance of pairing solar and battery storage with fuel substitution to maintain affordability.[77] The San Joaquin Valley (SJV) Pilot, which focused on rural communities without access to natural gas, demonstrated that fuel switching and electrification can increase customers' bills, therefore, requires careful consideration and actions prior to scaling electrification to all income-qualified customers.[78]

Due to limited enrollment, operational challenges, and minimal data generated through PPPD, SDG&E has determined that continuing the current pilot's design into the PY 2028-2033 cycle would not yield sufficient value or insights to support broader deployment. However, PPPD surfaced several important lessons regarding outreach strategies, customer segmentation, and implementation logistics. These findings, along with learnings from ongoing studies, and other IOU pilots such as SCE's BE Pilot and SJV Pilot, as described above, underscore the need for a redesigned approach. As a result, once the PPPD studies are completed for all IOUs and SCE's BE Pilot is complete, SDG&E will propose to incorporate any relevant feedback and/or suggestions into ESA programs in the MCAL.

---

[77] Findings shared in the Income Qualified and Clean Energy Programs Workshop on Thursday, July 17, 2025, available at https://pda.energydataweb.com/#!/documents/4207/view.

[78] PG&E and RHA San Joaquin Valley DAC Impact Pilot Impact Evaluation Report, Evergreen Economics (December 9, 2024), Executive Summary at 1, available at https://pda.energydataweb.com/api/view/4084/PG%26E%20RHA%20SJV%20DAC%20Impact%20Evaluation%20Report%20FINAL.pdf .

8.2. Whether and how these programs and pilots will be continued and/or incorporated in the ESA portfolio

As described in Section 8.1, SDG&E does not propose continuing PPPD but will incorporate the lessons learned into ESA Main and the new Pilot, as described in Section 8.3.

8.3. Any new pilots proposed, including budget, goals, and program design

SDG&E proposes a new Pilot to support advancing California's decarbonization and equity goals. The Pilot is designed to deliver bundled electrification measures to income-qualified customers, with a focus on achieving bill neutrality or bill savings while enhancing EE, HCS, and long-term affordability. Given SDG&E's mild climate, diverse housing stock, and limited data on electrification impacts for income-qualified customers in its service territory, SDG&E will implement the Pilot at a small scale to identify the most effective approach before including measures into ESA Main. This strategy will help prevent unintended cost increases or hardships for low-income customers and provide critical insights into program design and implementation.

8.3.1. ESA Electrification Pilot Objectives

The Pilot is designed to deliver targeted electrification upgrades to income-qualified households. This effort will support California's clean energy goals under the CPUC's decarbonization goals, CPUC ESJ Action Plan, and AB 209.[79,80,81] The Pilot seeks to address both environmental and affordability challenges through the following core objectives:

---

[79] *See* ESJ Action Plan Version 2.0 (April 7, 2022) available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf.

[80] CPUC, Building Decarbonization, available at https://www.cpuc.ca.gov/buildingdecarb/.

[81] California Legislature, AB 209, Ch. 251 (2021-2022), Energy and climate change, available at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB209.

- Expand equitable access to clean energy technologies by prioritizing underserved and disadvantaged communities, including Tribal households and those in California Equity Index (CEI) and Justice40 designated areas;[82]
- Replace fossil fuel-dependent appliances with high-efficiency electric alternatives, thereby reducing greenhouse gas emissions and improving indoor air quality;
- Integrate electrification measures with ESA Main Program weatherization services to maximize energy savings and customer comfort;
- Assess customer acceptance of electrification measures and bill impacts to determine the feasibility of broader program deployment, with a focus on achieving bill neutrality or savings;
- Generate program insights for policy adjustments, bill analysis processes, remediation standards, and overall cost-effectiveness;
- Integrate contractor insights for cost and capability assessments, proficiency with bill analysis tools, and workforce education and training (WE&T) requirements; and
- Generate actionable insights to inform future program design, implementation strategies, and scalability across SDG&E's service territory.

8.3.2. Pilot Target Population

The Pilot is designed to serve income-qualified households within SDG&E's service territory, with a focus on those most likely to benefit from electrification and EE upgrades. The

[82] Building Electrification Institute, San Diego Building & Housing Stock Analysis (August 2023), available at https://static1.squarespace.com/static/5b6a482db27e39e8fcf65bbf/t/64d66c92dea3c968a0f53b0a/1691774104484/BEI_San+Diego+Building+%26+Housing+Stock+Analysis_Aug2023.pdf.

Pilot prioritizes customer segments that face higher energy burdens and structural barriers to clean energy access.

Specifically, the Pilot plans to enroll 300 to 350 income-qualified homes with the following characteristics:

- Pre-1980 single-family and mobile homes which may signal inefficient building envelopes;
- Households exhibiting high energy usage patterns which may benefit most from electrification measures;
- Residences with existing or planned solar installations, where electrification may enhance overall system efficiency and customer savings;
- Communities located within census tracts designated under CEI and Justice40, to ensure alignment with statewide equity goals;
- Regions with high asthma rates; and [83]
- Tribal households relying on non-utility fuels such as propane, where fuel-switching to electric technologies can improve safety, affordability, and environmental outcomes.

This targeted approach is intended to maximize program impact, support equitable decarbonization, and inform future scaling strategies.

8.3.3. Pilot Eligibility Criteria

To be eligible for participation in the Pilot, households must meet the income qualifications established of the ESA Program. SDG&E will employ a two-step process to identify suitable candidates. First, data analytics will be used to screen for potential participants

[83] *Id.,* at 62.

based on indicators such as energy usage patterns, enrollment in CARE or FERA programs, presence of solar installations, and geographic alignment with priority regions identified in the Building Electrification Institute San Diego Building & Housing Stock Analysis study. Following this initial screening, an in-home assessment will be conducted to confirm the technical feasibility of electrification upgrades and to develop bill impact forecasts. The customer must be eligible for one or more of the electrification measures offered. In alignment with ESA Policy Manual (Attachment G: Electrification Policy), Tribal households currently utilizing non-utility fuels such as propane will now be eligible for fuel switching measures under the Pilot, referenced below.[84]

8.3.4. Inclusion of Fuel Switching in the Pilot

The Pilot proposes to allow for fuel switching from non-utility fuels, e.g., propane, fuel oil, wood burning, to electricity, thereby providing an opportunity for customers to benefit from clean energy upgrades. Many communities, including those on Tribal Land, lack access to utility-provided natural gas in SDG&E's inland territory, thus without fuel switching they cannot participate in electrification programs. This limits opportunities to reduce fuel costs, improve indoor air quality, and access to safer reliable appliances. Including exploring fuel switching for households supports California's equity, decarbonization, and energy access goals and ensures

[84] Validates that fuel switching is part of the approved ESA framework which can be expanded to support underserved communities. *See* CPUC, Statewide Energy Savings Assistance Program Policy and Procedures Manual (Version 1.4) (April 18, 2025) available at https://www.cpuc.ca.gov/-/media/cpuc-website/consumer-support/documents/20250418-statewide-esa-program-pp-manualv14.pdf.

these communities can fully participate in programs that improve efficiency and reduce greenhouse gas emissions.[85]

Fuel switching is already permitted in ESA Main. In D.21-06-015, the CPUC approved specific fuel switching measures for SCE's ESA Program and allowed all IOUs to use the ESA Measure Offering Proposal Protocols to request new or modified measures, including electrification.[86]

8.3.5. Pilot Customer Engagement Process

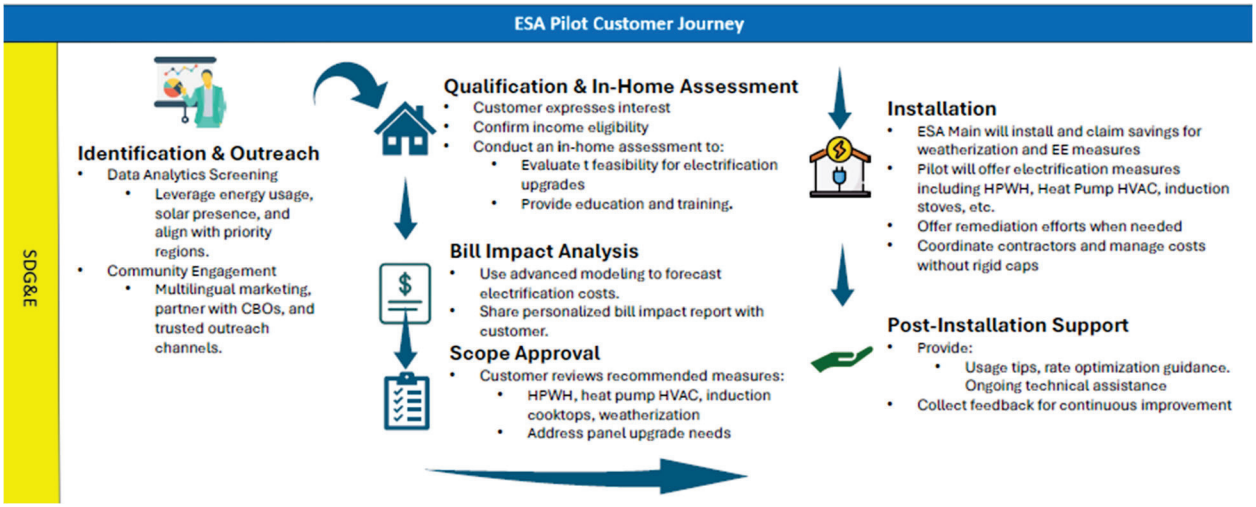
The Pilot will follow a structured engagement pathway to ensure that eligible income-qualified customers are identified, assessed, and supported throughout their participation. This process is designed to maximize program effectiveness, ensure transparency, and deliver measurable benefits.

---

[85] CPUC, CA Disadvantaged Communities Advisory Group (DACAG) Equity Framework (2024 Update), available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/infrastructure/disadvantaged-communities/2024-dacag-equity-framework.pdf.

[86] A.19-11-003, et al., Monthly report of Southern California Edison Company on low-income assistance programs for April 2023 (May 19, 2023), available at https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=509544494.

Figure 11: Pilot Customer Journey



8.3.6. Pilot Customer Identification and Outreach

SDG&E will utilize data analytics to identify income-qualified households that align with the Pilot's targeted population. Outreach will be conducted through multilingual marketing materials, CBOs, and program implementer engagement. SDG&E will focus on effective messaging while deepening partnerships with CBOs to build credibility and foster long-term engagement. Further details of marketing and outreach activities are included in Section 10.

8.3.7. Pilot In-Home Assessment and Education

Interested customers will receive an in-home assessment to evaluate the property's suitability for electrification upgrades. The Pilot will incorporate hands-on customer training and educational support to help residents understand and confidently use electrification technologies such as heat pumps and induction cooktops. These efforts may include multilingual materials, in-home demonstrations, and ongoing technical assistance to ensure customers are informed, empowered, and supported throughout their transition to an electrified home.

Participants will receive a single assessment covering the building shell, HVAC, domestic hot water (DHW) and electric rates offerings. Education will include user guides for, e.g., Heat Pump Water Heaters (HPWH), induction cooking guides, and Time-of-Use (TOU) guides during the installation phase. For homes with solar panels, information on HPWH water storage during off-peak hours will also be made available.

8.3.8. Pilot Bill Impact Analysis

The Pilot billing analysis tool will use advanced data modeling to estimate energy use and costs, focusing on heating and cooling through variable base temperature in a regression analysis. The tool will utilize customer-specific billing data, current and forecasted rates, appliance usage (e.g., dryers, water heaters, furnaces, and cooking systems) for customized evaluations before and after electrification. The tool will inform the customer of the bill impacts of changing gas appliances to electric appliances.

8.3.9. Pilot Measure Deployment

The Pilot will offer a bundled set of electrification and weatherization measures, including:

- HPWHs, with a preference for 120V models to minimize electrical panel upgrade requirements; [87]
- Heat pump HVAC systems to improve heating and cooling efficiency;
- Induction of cooktops to replace gas stoves; and

[87] U.S. Department of Energy estimates that water heating accounts for about 18% of home energy use. *See* U.S. Department of Energy, Water Heating Energy Saver, available at https://www.energy.gov/energysaver/water-heating.

- ESA Main weatherization measures such as insulation and air sealing, along with any other feasible measures.[88]

8.3.10. Pilot Panel Upgrade Approach

Panel and service upgrades are recognized as a potential barrier to electrification. A CPUC-sponsored study found that the average cost of customer-owned panel upgrades across IOUs is approximately $2,800, with SDG&E averaging $3,200.[89] To preserve cost-effectiveness, full panel upgrades will only be recommended when lower-cost remediation strategies are not feasible and when the customer's upgrade costs fall within the available funding.

8.3.11. Pilot Installation and Post-Installation Support

Upon customer approval of the scope of work, installation will proceed under the coordination of the Pilot implementer. To address concerns of limited program funding for remediation efforts from the SJV Pilot, SDG&E will incorporate learnings shared from contractors by averaging costs throughout the cycle and not setting a cost cap per home.[90] Post-installation, customers will receive support including usage tips, rate optimization guidance, and access to customer service resources. Feedback will be collected to inform ongoing Pilot improvements.

---

[88] ESA Main will claim the savings for the respective measures installed under the program.

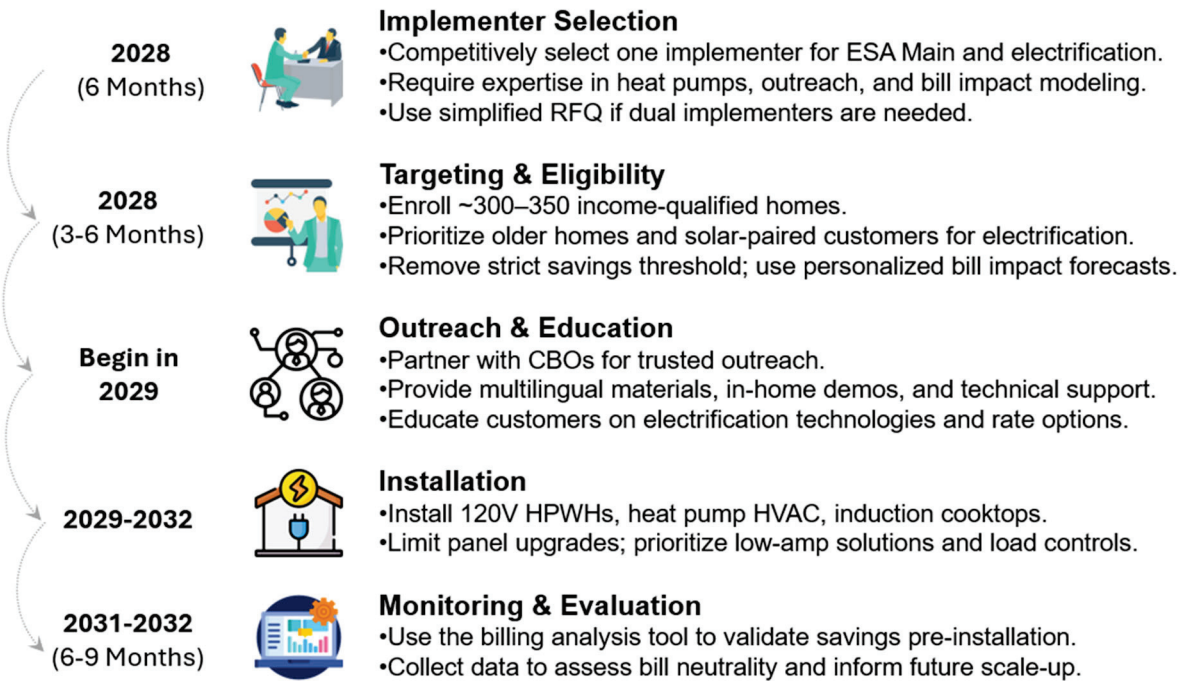
[89] NV5 Inc., Service Upgrades for Electrification Retrofits Study Final Report (May 27, 2022), Executive Summary at 6, available at https://pda.energydataweb.com/api/view/2635/Service%20Upgrades%20for%20Electrification%20Retrofits%20Study%20FINAL.pdf.

[90] PG&E and RHA San Joaquin Valley DAC Pilot Impact Evaluation Report, Evergreen Economics (December 9, 2024) at 45-47, available at https://pda.energydataweb.com/api/view/4084/PG%26E%20RHA%20SJV%20DAC%20Impact%20Evaluation%20Report%20FINAL.pdf.

8.3.12. Pilot Implementation Timeline

The Pilot will be implemented over a multi-year period, beginning with planning and ramp-up activities in 2028 and concluding with a ramp-down and evaluation in 2032. Figure 11 illustrates the key milestones.

Figure 12: Key Pilot Milestones



8.3.13. Pilot Budget Allocation

The total proposed budget for the Pilot is approximately $7.7 million. This budget is allocated as follows:

Table 20: PY 2028-2033 Pilot Budget

Cost Category	Budget	Percentage
Administration	$766,422	10%
Marketing and Outreach	$344,018	4%
Direct Installation of Measures	$6,587,379	86%
Total Budget	**$7,697,819**	**100%**

Consistent with SDG&E's affordability guiding principle, as described in the Direct Prepared Testimony of Kazeem Omidiji Section II, the Pilot will remain within the budget range authorized for PPPD. By leveraging with ESA Main, SDG&E seeks to treat more homes and gain operational and financial insights into electrification impacts prior to broader program deployment.

8.3.14. Pilot Solicitation Strategy

SDG&E intends to competitively select one implementer to run both the ESA Main and the Pilot through a Request for Proposal. This unified approach is intended to improve coordination, reduce customer handoffs, and align installation logistics by leveraging a single implementer for ESA Main and the Pilot. The implementer must demonstrate:

(1) heat pump technical knowledge;

(2) customer facing outreach and multilingual education capacity; and

(3) competence with software that forecasts bill impacts.

If during the solicitation process SDG&E does not identify an implementer who can address both the ESA Main and the Pilot, SDG&E proposes to utilize the alternative simplified process of a Request for Quotation with a direct award to identify a suitable Pilot implementer. This dual-path approach is intended to provide flexibility while minimizing administrative burden, enabling faster deployment and more efficient program execution.

8.3.15. Pilot Evaluation Metrics

SDG&E will conduct process and load impact evaluations to assess the success of the Pilot. The following are examples of focus to inform on the success of the Pilot prior to large scale deployment.

- **Customer selection**: What segment combinations (vintage × usage × climate × solar × CARE/FERA) consistently result in bill neutral or lower bills? What are the completion rates by CEI and Justice40 tracts and by CBO channel?;
- **Customer acceptance**: Do customers accept full electrification packages when paired with other EE measures? Is the new equipment easy to operate? What are their satisfaction levels with the program?;
- **Tools and methods**: Are the bill impact tools user friendly for field staff and accurate for customers?; and
- **Workforce and logistics**: What are the training hours to proficiency, install cycle time, revisit rate, soft costs, and permitting timelines for electrification measures in SDG&E's market?

The following are the load impacts to be measured:

- **Bill impacts**: Calculate bill impacts, delta in energy consumption in BTU (allows comparison of changes in electric (kWh) and gas usage (therms)); analyze changes in participants consumption and compare to Bill Analysis estimate;
- **Environmental Impacts**: Greenhouse Gas (GHG) reductions; and
- **Measure Cost**: Document the actual cost per home and measures, including remediation such as panel upgrades, etc.

The Pilot represents a strategic enhancement of the ESA portfolio, aligning with California's climate, affordability, and equity objectives. By targeting high-need households and integrating electrification with existing ESA services, SDG&E seeks to deliver measurable benefits to customers while generating valuable insights for future program development. The

Pilot will serve as a foundational step toward broader electrification efforts that prioritize affordability, equity, and sustainability across SDG&E's service territory.

9. ESA COST-EFFECTIVENESS

9.1. An update of the ESA Program's cost effectiveness levels under D.21-06-015 guidance thresholds, and any changes to this guidance for the new cycle:

SDG&E acknowledges that the cost effectiveness guidance thresholds outlined in D.21-06-015 were established to assist with planning ESA programs. D.21-06-015 required the IOUs to use an average portfolio level ESACET score of 0.7 as a guideline when developing their ESA portfolio measure mix. It also directed the IOUs to re-evaluate all measures with ESACET scores of less than 0.3 to determine if any of these measures should be removed and add measures to improve ESACET scores and/or provide greater consistency with measures offered by other IOU programs.[91] SDG&E does not recommend any changes to the ESACET guidance.

In addition to the ESACET, the Commission requires the presentation of additional cost-effectiveness metrics from the following tests, Total Resource Cost (TRC), Program Administrator Cost (PAC), Ratepayer Impact (RIM), Societal Cost Test (SCT), and Resource Test. The results of these tests are available in Attachment G, Table 5.

SDG&E recommends the elimination of the Resource Test as part of the informational cost effectiveness requirements consistent with the recommendation of the ESA Cost Effectiveness Subgroup. The Commission directed the IOUs to continue providing it but delegated to this subgroup to review and make recommendations regarding its use.[92] After several discussions, the ESA Cost Effectiveness Subgroup recommended that the test be

---

[91] D.21-06-015, OPs 83, 84 at 491 and OP 59 at 484.

[92] D.21-06-015, OP 89 at 492 and at 255.

discontinued in its Draft Progress Report.[93] The Report commented that the test has limited usefulness and does not provide a complete picture of the program; specifically, it has minimal benefit at the portfolio level, but it can be useful at the measure level. The Resource Test also provides the same result as the TRCRatioNoAdmin test, a value that is already calculated by the Commissions California Energy Data and Reporting System (CEDARS) CET. The Report recommends that the test be discontinued both at the measure level and program/portfolio level.

The ESA Cost Effectiveness Subgroup made additional recommendations for the next cycle. They are to 1) report ESACET and TRCRatioNoAdmin results at the measure level, and 2) exclude Societal NEBs from the ESACET calculation.[94] All of these refinements provide a more practical and transparent framework for evaluating program value and ensuring that resources are directed toward impactful measures.

As there was no provision for the Report recommendations to be submitted to the Commission for approval, SDG&E recommends that the Commission adopt the CE WG's recommendations:

- Discontinue the Resource Test;
- Report ESACET and TRCRatioNoAdmin results at the measure level; and
- Exclude Societal NEBs from the ESACET calculation.

---

[93] ESA Cost Effectiveness Sub Working Group Draft Progress Report for Task 1: Cost Effectiveness Test Considerations (March 2023) at 11, available at https://pda.energydataweb.com/#!/documents/2783/view.

[94] *Id.*

9.1.1. What are the current cost-effectiveness levels and trends, by program component and year?

Table 21 provides the approved forecasted ESACET levels for the PY 2021-2026 cycle.

Table 21: SDG&E Approved ESACET Levels for PY 2022-2026

Program Year	ESA Main[95]	MFWB[96]
2022	0.28	Not Available
2023	0.36	0.19
2024	0.37	0.23
2025	0.35	0.24
2026	0.35	0.27

Table 22 shows the actual ESACET cost effectiveness results for PY 2021-2024 and the forecasted ESACET scores for PY 2025-2033. The earlier declining score trend was reversed in 2024 when SDG&E implemented a new measure savings methodology that relied more heavily on approved workpapers rather than the 2015-2017 ESA Impact Evaluation for individual measure savings. This new methodology was approved by the ESA Policies & Procedures Sub Working Group and shared with the ESA WG on June 27, 2024. It is important to recognize that the inputs for ESACET will change periodically based on updated avoided costs inputs, revised measure savings, measure costs and NEBs. For example, the Avoided Cost Calculator values are updated every two years; the NEBs are updated as needed (2019 and 2025) and measure workpaper deemed savings values are updated annually. These changes impact actual results as compared to forecast values and can make trend analysis more challenging.

[95] SDG&E AL 3842-E/3012-G et. al., approved December 22, 2021 and effective October 1, 2021.

[96] SDG&E AL 4115-E/3144-G, approved December 21, 2022 and effective December 30, 2022.

Table 22: Cost Effectiveness Levels

Year	ESA (SF, MH, MF In-Unit)	ESA Main (SF, MH)	MFWB (MF In-unit, CAM)	Portfolio
2021	0.19			
2022	0.14			
2023	0.11			
(Revised Actual)* 2024		0.21	0.29	0.21
(Revised Forecast)* 2025		0.26	0.29	0.27
(Revised Forecast)* 2026		0.26	0.32	0.28
2027		0.25	0.31	0.27
2028		0.36	0.42	0.37
2029		0.36	0.47	0.40
2030		0.37	0.47	0.40
2031		0.37	0.48	0.40
2032		0.37	0.49	0.41
2033		0.38	0.50	0.41

*Revisions are due to updated CET inputs per A.25-06-022, SDG&E 2027 Bridge Funding Application, Supplemental Testimony of Roland Mollen (January 14, 2026) at Attachment A – Cost Effectiveness Test Results

SDG&E expects the ESACET score to be approximately 0.25 for its ESA portfolio based on the forecasted measure mix and number of installations for the PY 2024-2026 and bridge year PY 2027.[97] The PY 2028-2033 ESACET scores trend higher than the previous cycle. The higher trend is a result of the addition of new measures, e.g., duct test and seal and tankless water heaters, as well as the removal of some lower scoring measures, e.g., freezers and clothes dryers. In addition, limitations will be placed on some measure installation quantities, such as light bulbs. These changes to the portfolio measure mix and costs, the impact of the higher 2024 avoided costs, and the new NEB values result in an overall improved ESACET for the new cycle. See Attachment G, Tables A-1 and A-1a for the full list of measures.

[97] Excluding PY 2021-2023 as those represented ramp up years.

9.1.2. How does cost effectiveness impact program effectiveness?

Cost effectiveness is a statutory consideration for the ESA Program, but it is not a primary goal.[98] The statute directs the program to consider both the cost-effectiveness of services and the policy of reducing hardships facing low-income customers. Cost effectiveness directly influences measure selection and installation. Cost effectiveness analysis should be viewed as a diagnostic and planning tool for income-qualified programs, and not a strict pass/fail test. Measures that consistently fall below cost effectiveness thresholds may be limited or eliminated, which can reduce the range of services offered to customers. For example, applying a pure cost effectiveness metric for including measures in the program would eliminate HCS measures, which are defined to have less than one unit of savings. These HCS measures add cost to the program, resulting in lower program cost effectiveness. Therefore, SDG&E cautions that prioritizing cost effectiveness over other considerations such as HCS could lead the program to prioritize low-cost measures, which may reduce the overall benefits and value for individual customers. This is supported by D.21-06-015, COL 25 that states:

> Non-energy benefit targets, and additional metrics, should be established for the ESA Program to ensure that the Utilities do not neglect the household's health comfort and safety needs at the expense of only achieving energy savings.

SDG&E supports having cost effectiveness guidelines to hold utilities accountable for the responsible use of ratepayer funds, but prioritizing cost effectiveness exclusively can compromise the program's ability to alleviate hardships for income-qualified households.[99]

---

[98] Public Utilities Code Section 2790.

[99] D.21-06-015, COL 27 at 468.

Balancing cost effectiveness with meaningful HCS services is essential to achieving the mission of the ESA programs. Cost effectiveness goals should not be a rigid gatekeeper of program measures, but a tool to identify where program improvements can be made, whether by enhancing measure performance, reducing delivery costs, or refining targeting strategies.

Therefore, enforcing a program ESACET value of 0.70 may create a conflict with the requirement to provide HCS measures and help reduce the hardship faced by income-qualified households. SDG&E recommends that the threshold of 0.70 remain a target and guide rather than a rigid compliance requirement.

If program effectiveness is defined by how well the program helps income-qualified customers overcome hardship, then balancing energy savings with meaningful HCS improvements is more effective than just delivering a high volume of cost-effective basic, low-cost measures that do not address the customer needs holistically.

9.1.3. Whether the IOUs propose any changes to the cost effectiveness goals/targets?

The current ESACET guideline for the ESA portfolio is set at 0.7 for all IOUs.[100] As stated in D.21.06-015, it is not a requirement that the overall portfolio must meet the 0.7 ESACET threshold, or that every measure must meet the 0.3 ESACET minimum, but that these are the guidelines to be used, with discretion for exceptions for measures.[101] As shown in Table 22, SDG&E's portfolio level ESACET has been and is projected to be below the Commission's guideline of a 0.7 ESACET threshold across all years of the program cycle, despite aggressive kWh savings forecasts and reasonable kW and therm projections based on the 2025 P&G Study.

---

[100] *Id*., at 248.

[101] *Id*., at 251.

Several factors contribute to SDG&E's challenge of achieving the 0.7 guideline. As shown in Figure 2, a majority of SDG&E's income-qualified customers reside within Climate Zones 7 and 10, which experience milder weather compared to other regions across the state. These milder conditions reduce the effectiveness of weatherization and HVAC measures, limiting achievable net cost effective energy benefits. In addition, other measure savings continue to decline over time as California's building codes and appliance standards improve baseline efficiency. The introduction of electrification measures, while aligned with long-term decarbonization goals, further challenges cost effectiveness due to higher upfront costs. At present, there are substantial increases in costs for materials and labor that negatively impact the program's cost effectiveness, as the program is a direct install program that covers all the costs of measure installation.

Within these constraints, SDG&E continues to work diligently to find ways to improve cost effectiveness as discussed in Section 9.1.1 and shown in Table 22. The Commission, as evidenced by its approval of SDG&E's PY 2021-2026 ESA portfolio, demonstrated its understanding and flexibility to balance the two primary goals of the program, cost effective energy savings with HCS of customers. SDG&E recommends that the Commission continue to use the 0.7 ESACET to inform and serve as a guide to recommend program adjustments and not treat it as a compliance requirement.

10. ESA MARKETING, EDUCATION, AND OUTREACH (ME&O) APPROACHES AND BUDGETS

10.1. How do the IOUs plan to provide marketing and education, and conduct outreach to these prioritized customer segments?

ME&O approaches are structured not only for prioritized customer segments but also by the different program approaches and goals. The following sections describe the specific ME&O activities for ESA Main, MFWB Program and the Pilot.

10.1.1. ESA Main ME&O

SDG&E's ESA Main marketing will implement a location-specific, needs-based strategy to ensure eligible customers receive tailored messaging and access to measures that best address their unique energy, health, and safety needs. This approach aligns with SDG&E's customer-centric ME&O framework and supports equitable delivery of program benefits.

SDG&E's marketing and outreach tactics follow the widely accepted marketing principle that it may take 7-10 touchpoints before a customer takes action. These interactions help SDG&E build awareness, trust, and credibility with its customers. Figure 12 illustrates the various touchpoints a customer may receive prior to ESA Main participation.

Figure 13: ESA Marketing & Outreach Touchpoints

10.1.1.1. ESA Main Program Target Audience

ESA Main serves income-qualified residents of single-family and mobile homes, including both homeowners and renters. ESA Main structure is described in detail in Section 6. SDG&E's marketing efforts for the upcoming program cycle will be strategically aligned with an enhanced segmentation approach to ensure ME&O is focused on customers most likely to benefit from the program's no-cost energy-saving and health-enhancing services.

As previously discussed in Section 2, SDG&E will prioritize ME&O efforts to customers in the following segments:

- Primary Segments (Location-Based):
    - DAC
    - HFTD
    - Heat Health Event Areas
    - High Energy Burden Areas
- Secondary Identifiers Segment:
    - CARE/FERA enrollment status
    - High energy usage households
    - Previous ESA participants, with analysis of installed measures to identify opportunities for deeper savings
- Distinct Segment:

- Tribal Communities: Recognized as a unique segment with tailored outreach and program design to address specific energy access and affordability challenges.

10.1.1.2. Research Findings

Focus group research conducted in 2025 with both ESA Main participants and eligible non-participants across SDG&E's service territory revealed critical insights into customer awareness, trust, and engagement with ESA Main. While ESA Main is generally viewed positively, initial skepticism, particularly among non-participants and Spanish-speaking communities, can be a barrier to enrollment. Customers who engaged with ESA Main often learned about it through trusted sources such as friends, family, or door-to-door outreach, and were motivated by the promise of no-cost upgrades and free energy-saving appliances. However, awareness alone is not enough; clear, purpose-driven messaging that explains why SDG&E offers the program and how it benefits customers is essential to overcoming doubts and driving action. Visual learning tools, personalized outreach, and culturally relevant communication, especially in Spanish, were identified as key to building trust.

Additionally, landlord approval remains a significant hurdle for renters, underscoring the need for targeted messaging and streamlined processes. These findings inform SDG&E's marketing strategy by highlighting the importance of trust, clarity, and relevance in all customer touchpoints, and guide the objectives and tactics to increase program visibility and participation among underserved communities.

10.1.1.3. Marketing Objectives

SDG&E will take a customer-first approach, focusing on accessibility, building trust, and continually improving based on customer feedback and program performance. SDG&E's ESA Main marketing will focus on equitable outreach, tailored messaging, and increased engagement

among prioritized customer segments. The objectives are designed to support program goals while addressing the unique needs of vulnerable populations across SDG&E's service territory. For the PY 2028–2033 cycle, ME&O efforts will focus on:

- **Driving enrollment in High-Need Communities:** Increasing participation among income-qualified households in priority segments (DACs, HFTDs, Heat Health Event Areas, and High Energy Burden Areas) by deploying targeted, location-based outreach and messaging.
- **Improving program accessibility and customer experience:** Ensuring that outreach materials and engagement channels for Accessible & Functional Need (AFN) customers are accessible, multilingual, and culturally relevant to the communities served.
- **Aligning messaging with local needs and conditions:** Tailoring marketing messages to reflect the environmental, health, and affordability challenges specific to each prioritized segment and clearly communicate how ESA Main measures address those needs.
- **Supporting SDG&E's Equity, Affordability, and Safety Goals:** Positioning ESA Main as a key contributor to SDG&E's broader mission and goals by demonstrating how the program reduces energy costs, improves indoor health and safety, and expands access to clean energy solutions for vulnerable populations.

10.1.1.4. Marketing Strategies

To effectively reach eligible customers in priority segments, SDG&E will deploy a multi-channel marketing strategy that balances broad visibility with localized relevance. The strategy will be designed to reflect the unique needs, environmental conditions, and affordability challenges faced by income-qualified households across SDG&E's service territory.

All marketing efforts will be unified under a consistent creative platform and messaging framework that emphasizes the program's no-cost energy-saving measures, HCS benefits, and alignment with SDG&E's broader equity and affordability goals. Messaging will be tailored to resonate with specific customer segments, incorporating language, imagery, and value propositions that reflect local conditions, such as wildfire risk, extreme heat, or high energy burden.

Recognizing that customer engagement often requires multiple touchpoints, especially to hard-to-reach populations, SDG&E's strategy will emphasize repeated, layered marketing across channels. This approach will ensure that eligible customers receive consistent messaging and multiple opportunities to learn about, engage with, and enroll in ESA Main.

10.1.1.5. Marketing Tactics

SDG&E's ME&O tactics will be unified under a consistent creative platform and messaging framework, with clear calls to action directing customers to the ESA Main landing page (e.g., sdge.com/ESA) or to the appropriate program implementer.

The following tactics are designed to build awareness, drive engagement, and support enrollment goals:

a. General Awareness

These tactics aim to build foundational awareness and reinforce ESA Main messaging across multiple channels and customer touchpoints.

- **Streaming TV & Radio:** Geo-targeted ads will reach customers in high-priority areas with culturally relevant messaging. These platforms allow for demographic segmentation and seasonal targeting, making them ideal for promoting cooling measures in heat zones or safety upgrades in HFTDs.

- **Out-of-Home (OOH) Advertising:** Placements in localized community spaces such as transit shelters and grocery stores will raise visibility in areas with limited digital access or low program penetration. Messaging will highlight ESA Main benefits and direct customers to enrollment support.
- **Digital Advertising:** ZIP code-targeted display ads, search engine marketing, and paid social media promotions will drive traffic to the ESA Main landing page. Messaging will be tailored to reflect relevant measures.
- **Print:** Multicultural and community publications are essential for reaching seniors, non-English speakers, and customers with limited internet access.
- **Bill Package:** On-bill messages and printed inserts included in monthly billing statements will ensure ESA Main visibility among customers who may not engage digitally. Messaging will be simple, multilingual, and action oriented.
- **Organic Social Media:** SDG&E's owned social media channels will be used to share program information, helping to build trust and engagement over time. This includes social media platforms such as Instagram, Facebook, Nextdoor, and X (formerly Twitter).

b. Direct Marketing

To complement broad awareness efforts, SDG&E will implement direct marketing tactics that allow for personalized, data-driven outreach to eligible customers in priority segments. In alignment with SDG&E's commitment to affordability, the guiding principle is to prioritize an email-first outreach strategy. In instances where an email address is not available, direct mail will be utilized as an alternative communication method.

- **Email Communications**: Segmented by ZIP code, customer profile, and seasonal conditions, emails will promote relevant ESA Main measures and link directly to enrollment tools. Follow-up emails will support re-engagement.
- **Direct Mail:** Geo-targeted mailers will be sent to eligible households who are not yet enrolled. Messaging may include information around specific measures, affordability concerns, or safety needs. Materials may be multilingual and designed for clarity and action.

10.1.2. ESA Multifamily Whole Building ME&O

For the PY 2028–2033, SDG&E proposes transitioning the MFWB Program from a regionally administered model to a locally designed and administered program. This shift is informed by implementation challenges and lessons learned during the current cycle and aims to improve responsiveness, streamline delivery, and better align services with the unique characteristics of multifamily housing in SDG&E's service territory. The MFWB Program proposal is described in detail in Section 7. Marketing efforts will support this transition by engaging property owners, managers, and residents with tailored messaging that promotes the benefits of whole-building EE upgrades.

10.1.2.1. Target Audience

The MFWB Program serves income-qualified residents living in multifamily properties with five or more units, including both deed-restricted and non-deed-restricted buildings. Eligible properties must meet income qualification thresholds of 65% for deed-restricted and 80% for non-deed-restricted properties and may include standalone units within qualifying complexes. Marketing efforts will target prioritized customer segments, as described in Section 10.1.1.1, focusing on:

- Property owners and managers of eligible multifamily buildings;
- Residents of multifamily units who may benefit from in-unit upgrades;
- Affordable housing developers and operators; and
- CBOs serving multifamily communities.

ME&O will be tailored to reflect the diversity of multifamily housing types, ownership structures, and resident needs across SDG&E's service territory.

10.1.2.2. Marketing Objectives

SDG&E's MFWB Program marketing will focus on increasing program participation among eligible properties, improving stakeholder engagement, and supporting the delivery of whole-building energy savings. Key objectives include:

- **Drive Enrollment Across Multifamily Segments:** Promote flexible participation options (in-unit only, CAM only, or whole-building) to accommodate diverse property types and ownership models.
- **Improve Awareness of Program Enhancements:** Educate stakeholders on the new locally administered model, integrated service delivery, and updated eligibility definitions that include standalone units.
- **Support Property Owner Decision Making:** Provide clear, actionable information about available upgrades, cost-sharing requirements, and tenant protections to encourage buy-in.
- **Enhance Resident Engagement:** Ensure residents understand the benefits of in-unit upgrades and feel confident in the program's legitimacy and protections.

10.1.2.3. Marketing Strategies

To reach multifamily stakeholders effectively, SDG&E will deploy a multi-layered marketing strategy that combines broad awareness with targeted outreach. Strategies will include:

- **Localized Messaging:** Tailor ME&O materials to reflect the unique characteristics of SDG&E's multifamily housing stock, including climate-specific measure benefits and electrification opportunities;
- **Stakeholder Collaboration:** Partner with affordable housing organizations, property management associations, and CBOs to build trust and extend reach; and
- **Integrated Communications:** Align messaging across channels to reinforce program benefits, enrollment options, and implementation timelines.

10.1.2.4. Marketing Tactics

SDG&E's ME&O tactics will be unified under a consistent creative platform and messaging framework, with clear calls to action directing customers to the MFWB Program websites (e.g., SDG&E's MFWB Program and services at www.sdge.com/multifamily-property-owners) or other appropriate program implementers, (e.g., CA Technology and Equipment for Clean Heating multifamily programs at www.techcleanca.com/incentives/multifamily-information). The following tactics are designed to build awareness, drive engagement, and support enrollment goals:

a. General Awareness

As stated, these tactics aim to build foundational awareness and reinforce the MFWB Program messaging across multiple channels and customer touchpoints.

- **Digital Advertising:** Geo-targeted display ads and paid social media campaigns will promote MFWB Program benefits to property owners and residents in eligible ZIP codes;
- **Out-of-Home (OOH):** Transit shelter ads and localized signage in multifamily communities will raise visibility and direct stakeholders to enrollment support; and
- **Print Collateral:** Multilingual collateral may be distributed to reach those that are less digitally engaged.

b. Direct Marketing

- **Email Campaigns**: Segmented emails will target property owners and managers with information about enrollment options, measure tiers, and tenant protections; and
- **Direct Mail**: Personalized mailers may be sent to eligible properties, highlighting specific upgrades and encouraging participation.

10.1.3. ESA Electrification Pilot ME&O

SDG&E proposes the targeted Pilot within the ESA portfolio to deliver high-efficiency electric technologies, such as HPWHs, heat pump HVAC systems, and induction cooktops, to income-qualified single-family and mobile homes. The Pilot structure is described in detail in Section 8. Marketing efforts will focus on building trust, increasing visibility, and supporting informed decision-making among eligible households.

10.1.3.1. Target Audience

The Pilot will serve approximately 300 to 350 income-qualified households, with targeted outreach to:

- High usage homes in hotter inland climate zones;
- CARE/FERA enrollment status;
- Mobile homes;

- Customers with solar panels;
- Households in CEI and Justice40 tracts;
- Communities with high asthma rates; and
- Tribal households using non-utility fuels (e.g., propane, fuel oil).

Eligibility will be determined through data analytics (e.g., usage, CARE/FERA enrollment) and confirmed via in-home assessments. Tribal households will be prioritized for fuel-switching opportunities, with support for solar and battery storage integration to ensure affordability and reliability.

10.1.3.2. Research Findings

Lessons learned from the previous pilot, PPPD, revealed several barriers to participation, including low customer trust and overly restrictive eligibility criteria as described in Section 8. These findings directly inform the new Pilot's marketing strategy, which will emphasize transparency, trust-building, and tailored communication.

The Pilot will test the need for hands-on education and multilingual support to build confidence in using new technologies. Outreach must be proactive, culturally relevant, and community-based to overcome skepticism and ensure meaningful engagement.

10.1.3.3. Marketing Objectives

SDG&E's marketing strategy for the Pilot will focus on:

- **Increasing Awareness and Visibility:** Promote the Pilot and its benefits through targeted outreach in the prioritized communities, emphasizing affordability, health, and safety; and
- **Supporting Informed Decision Making:** Provide information about bill impacts and technology use to help customers feel confident in their choices.

10.1.3.4. Marketing Strategies

To ensure successful engagement, SDG&E will implement a multi-channel marketing strategy tailored to the Pilot's unique goals and target populations. Strategies will include:

- **Localized and Data-Driven Outreach:** Use analytics to identify eligible homes and may tailor messaging to reflect local climate conditions, housing types, and energy needs;
- **Integrated Education and Support:** Work with the third-party implementer to produce multilingual materials educating eligible customers on electrification technologies, including HPWHs, heat pumps, and induction cooktops;
- **Transparent Communication:** Use a billing analysis tool to show pre- and post-installation energy costs, helping customers understand and anticipate bill impacts; and
- **Streamlined Implementation Messaging:** Work collaboratively with the third-party implementer to reduce customer handoffs and simplify the enrollment and installation experience.

10.1.3.5. Marketing Tactics

SDG&E's ME&O tactics will be unified under a consistent creative platform and messaging framework, with clear calls to action directing customers to the Pilot landing page or to the appropriate program implementer.

The following tactics are designed to build awareness, drive engagement, and support enrollment goals:

a. General Awareness

- **Digital Advertising**: Targeted ads will promote the pilot in eligible ZIP codes, emphasizing health, safety, and cost benefits; and

- **Print Collateral**: Multilingual and culturally relevant flyers and collateral may be distributed through CBOs, Tribal offices, and local events.

b. Direct Marketing

- **Email Campaigns**: Targeted emails will describe electrification technology benefits, and enrollment instructions; and
- **Direct Mail**: Targeted mailers will highlight Pilot features and encourage participation, especially in high usage homes.

10.1.3.6. Outreach

SDG&E's plans to conduct outreach for the prioritized segments are mentioned in Section 8 and summarized here:

- Leverage CBOs for direct contact with residents of local areas; and
- Provide CBOs with information and materials to encourage customers to participate in the Pilot.

10.1.3.7. Advancing ESA Program Engagement with Tribal Communities

The ESA Program recognizes the importance of serving customers who are members of Tribal Nations. Within SDG&E's service territory, there are 17 federally recognized Tribal Nations, with eight tribes having the majority of eligible participants. To address this, SDG&E has prioritized the Tribal segment by establishing a focused team that includes a dedicated Tribal Liaison. This liaison serves as the central point of contact for all Tribal-related utility matters, facilitating communication, project coordination, and relationship-building. Their role includes connecting internal utility teams with Tribal representatives, explaining processes, navigating legal and access protocols, and ensuring cultural sensitivity in all interactions. Additionally, two Community Affairs & Relations representatives act as subject matter experts, leading in-person

events, coordinating meetings, and supporting Tribal mini-grants with technical assistance and hands-on support.

Despite these efforts, several barriers continue to limit program effectiveness in Tribal communities:

- **Low Participation and Engagement**: Many Tribal Governments are under-resourced and lack staff capacity to champion utility programs. The current mini-grant incentive of $3,000 to $4,000 is often seen as insufficient given competing priorities and administrative burdens;
- **Distrust and Communication Gaps**: Historical distrust of utilities and unclear messaging have hindered trust-building. Tribes often require tailored communication strategies that respect cultural norms and community dynamics;
- **Limited Capacity for Outreach**: Tribal staff often do not have the time or resources to package materials, promote programs, or coordinate with utility teams; and
- **Limited ESA Program Offering**: Properties on Tribal lands often use propane as a fuel heating source, which disqualifies the customer from receiving natural gas appliance testing, infiltration measures, and many appliance upgrades.

To overcome these challenges in the next cycle, SDG&E proposes the following actions:

- **Fund Local Champions**: Provide grant-based funding to support a designated Tribal Government staff member or CBO representative who can serve as a local program ambassador. This individual would amplify ESA Program messaging, coordinate outreach, and facilitate enrollment, acting as a trusted voice within the community;

- **Enhance Mini-Grant Structure**: Reevaluate the mini-grant incentive to better reflect the time and effort required for meaningful engagement. Consider tiered funding based on participation levels or specific outreach activities completed;
- **Culturally Aligned Communication**: Continue to tailor outreach strategies by working with Tribal leaders to determine the most effective messengers, messages, and communication channels. This includes participating in Tribal-hosted events, integrating ESA Program discussions into broader community meetings, and offering culturally relevant materials. A new strategy to increase event participation numbers will include partnering with Tribally-led CBOs using traditional knowledge; and.
- **Align Priorities Through Co-Design**: Strengthen collaboration by aligning utility and Tribal priorities through co-designed initiatives. This approach fosters mutual buy-in and ensures that program offerings are relevant and responsive to community needs.

By addressing these barriers with targeted, culturally informed strategies, SDG&E can build stronger partnerships with Tribal Nations and improve access to energy-saving services for some of the region's most underserved households.

10.2. Similar to the solicitations and contracting reporting, how should the IOUs report on ME&O contracts or efforts to show effectiveness?

SDG&E proposes to continue reporting on ME&O efforts in its compliance reports. SDG&E proposes that the details of ME&O reporting be discussed with ED and the IOUs as mentioned in the Prepared Direct Testimony of Kazeem Omidiji Section V.B.

SDG&E has identified examples of marketing and outreach performance metrics below. Available metrics are informed by current technological capabilities and aligned with data privacy protocols.

10.2.1. Marketing and Outreach Metrics

The following present the proposed marketing metrics.

- General Awareness Metrics
    - **Impressions:** How many people saw the advertisement
    - **Click-through rate (CTR):** How often people click on the advertisement
    - **Engagement rate:** Likes, shares, comments
- Direct Marketing (Email only) Metrics:
    - **Open rate:** How many customers open an email
    - **Click-through rate (CTR):** How often people click in the email

The following present the proposed outreach metrics.

- Outreach Metrics;
- Events and Participation; and
- CBO leads

11. ESA WORKFORCE EDUCATION AND TRAINING (WE&T) APPROACHES AND BUDGETS

SDG&E works directly through its ESA contractors to enhance WE&T initiatives, focusing on recruiting from local communities and expanding training programs. In compliance with D.21-06-015, SDG&E and its contractors committed to the following in the PY 2021-2026 cycle:

- Exploring the feasibility of coordinating with other existing job training efforts;

- Leveraging the statewide Career & Workforce Readiness program to target potential workers;
- Aligning with the California Workforce Development Board's Energy and Climate Jobs initiative and the Multi-Craft Core Curriculum and establishing formal partnerships to better integrate ESA into EE workforce education;
- Prioritizing the use of local, small and disadvantaged businesses to support program implementation; and
- Reporting in monthly and annual reports.[102]

SDG&E proposes to eliminate the requirement to leverage the statewide Career & Workforce Readiness (CWR) program to target potential workers.[103] CWR was not designed with ESA programs in mind and does not align significantly with program delivery, timing, and outcomes to support the San Diego ESA workforce. SDG&E proposes to continue to encourage its contractors to leverage EE WE&T programs to the extent possible, when the program design and delivery align with the needs of the San Diego ESA workforce, however this should not be a requirement.

11.1. In general, how are the IOUs ensuring that the ESA Program has an adequate workforce and/or working to build it?

SDG&E proposes to continue to use the competitive bid process to attract vendors with proven experience and capabilities, including those with access to a skilled and adequate

---

[102] D.21-06-015 at OPs 98, 100, 102, 104, 111 and 124.

[103] For more information on the CWR program please see Energy Efficiency Workforce Education Training and Workforce Standards, available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/energy-efficiency-workforce-education-training-and-workforce-standards.

workforce. Bidders must demonstrate they can meet staffing requirements, including providing staffing plans and resumes.

11.2. How will the IOUs ensure the workforce is adequately compensated, and has access to job training that allows for skill development and career advancement?

SDG&E will continue to ensure its ESA workforce is adequately compensated by evaluating contractors through a competitive bid process and negotiating contracts that include activities that address worker skill development and career advancement. During the competitive bid process, SDG&E will request bidders provide their cost structures, expertise, and understanding of the requested scope of work pertaining to worker skill development and career advancement. During solicitation evaluation, bids may be assessed not just on price but also on the quality of the response, bidder's staffing and experience, financial stability, and past performance. During contract negotiations, SDG&E and the bidder will outline specific scopes of work related to worker skill development and career advancement and establish reporting metrics and cadence to monitor progress. At any point during the contract negotiation process, a bidder may request clarifications or details and adjust pricing to ensure adequate compensation. After contracts are executed, contractors may request contract amendments and pricing adjustments if conditions warrant and appropriate rationale is provided.

11.3. What budget levels are necessary for ESA WE&T?

ESA WE&T budget levels may vary across contractors due to their unique needs, abilities, and scope of work. SDG&E proposes continuing to negotiate compensation related to WE&T activities in its contracts. SDG&E proposes to supplement the contractors' WE&T efforts with a Training Center budget to support contractors' training on new measure installation or new program procedures implemented by SDG&E (*See* Attachment G, Table 7).

11.3.1. Should these be funded through ESA or another budget?

SDG&E proposes to fund any WE&T activities in support of the ESA workforce through the ESA portfolio budget to maintain oversight and ensure transparency over how the funds are used.

11.3.2. Should these be individual IOU or statewide efforts?

As previously described, SDG&E and its contractors could not leverage the statewide CWR in a meaningful way in the PY 2021-2026 cycle, because the program was not designed with the ESA workforce in mind. This feedback has been expressed by ESA contractors in ESA WG meetings, and through stakeholder engagement meetings. Therefore, SDG&E proposes to fund WE&T at the IOU level.

11.3.3. How should the Main EE programs be leveraged?

SDG&E proposes to continue to encourage its contractors to leverage EE WE&T programs to the extent possible, when the program contractor technical skills (e.g., HVAC quality installation and maintenance, lighting in MFWB CAM), the design, and delivery align with the needs of the San Diego ESA workforce. However this should not be a requirement. SDG&E recognizes that its contractors are in the best position to identify, lead, and benefit from WE&T initiatives and therefore recommends continuing to support more specific local endeavors via contract commitments. For example, SDG&E ESA contracts include activities to utilize, track, and report efforts that support recruitment and training needs. This approach allows contractors to meet the needs of their local workforce efficiently and not have to wait, coordinate, or lobby for WE&T initiatives at a statewide level.

11.3.4. Should the WE&T program be tied to the ESA Program? Or should they be tied to general skill development across ESA and other CPUC programs?

SDG&E proposes to continue leveraging statewide WE&T programs to the extent possible while working directly with its contractors on regionally specific program activities. SDG&E does not propose tying the statewide WE&T program to the ESA programs due to regional differences in training needs which can put SDG&E, as the smallest IOU, at a disadvantage. While some training can be accomplished remotely, the more technical ESA services like weatherization, NGAT, and appliance installation require hands-on training. SDG&E anticipates continuing to support its contractors with on-the-job training, including training on logistical and geographic practicalities.

11.3.5. How can stakeholders better track WE&T program effectiveness? What metrics are necessary?

In the current cycle, the utilities were directed to report the following WE&T metrics:[104]

- Percent of incentive dollars spent on contracts with a demonstrated commitment to provide career pathways to disadvantaged workers;
- Number of CWR participants who have been employed for 12 months after receiving the training; and
- Percent of total WE&T training program participants that meet the definition of disadvantaged worker.

SDG&E proposes to discontinue these metrics from ESA reports as SDG&E is not the statewide administrator of the WE&T/CWR program and does not propose to do so in the future.

[104] D.21-06-015 at 286.

To better track WE&T program effectiveness, SDG&E proposes to report on activities that directly support the development of a better skilled ESA workforce, such as describing when education and training events occur, the type, number of participants, and outcomes. SDG&E also reports its percent of total ESA Program procurement utilizing DBEs to better track the ESA Program's ability to extend equitable opportunities to the workforce. SDG&E proposes discussing these recommendations, among others, with Energy Division and the IOUs during the collaborative process to streamline reporting and align on new metrics for the PY 2028-2033 cycle as proposed in the Direct Prepared Testimony of Kazeem Omidiji, Section V.B.

12. ESA SOLICITATIONS AND CONTRACTING STRUCTURE AND BEST PRACTICES

12.1. How do the IOUs plan to continue conducting open and competitive solicitations for the delivery of the ESA Program?

SDG&E remains committed to conducting open and competitive solicitations as the primary method for selecting implementers for the ESA portfolio. This approach ensures transparency, encourages innovation, and promotes cost effective service delivery. However, experience from the PY 2021-2026 cycle has highlighted the need for flexibility when market conditions limit the effectiveness of a traditional competitive process.[105]

a. Commitment to Competitive Procurement

SDG&E will continue to initiate solicitations through Request for Proposals (RFPs) that are publicly noticed and open to all qualified bidders. These solicitations are designed to:

- Promote fair competition;
- Encourage participation from diverse and experienced implementers; and

[105] *See* Section 8.1.1, *supra*.

- Align with CPUC procurement guidelines and equity goals.

Each RFP will clearly define the scope of work, performance expectations, and evaluation criteria, with a focus on delivering high-quality, customer-centered ESA services.

b. Flexible Sourcing Pathways

To address these challenges, SDG&E proposes maintaining the open and competitive process as the default, while allowing for alternative sourcing mechanisms under specific conditions, such as the following: no qualified bids received; only one bidder with limited capacity; or urgent program continuity needs. In instances where standard solicitation processes are not feasible, SDG&E recommends that it be permitted to pursue direct negotiations, targeted solicitations, or extensions of existing contracts, subject to CPUC notification and justification. This flexibility ensures program continuity and avoids service disruptions for vulnerable customers.

12.1.1. Recommendations and Continuous Improvement

To enhance future solicitations and foster broader market engagement, SDG&E proposes the following:

- Pre-solicitation engagement with potential bidders to clarify expectations and address barriers to participation. This includes hosting Bidder Workshops and Bidder Conferences aimed at educating the market and promoting informed, competitive responses;
- Streamlining administrative requirements to reduce the burden on smaller contractors or community-based organizations; and
- Ensure transparency in sourcing outcomes by documenting and reporting solicitation results, including any alternative procurement pathways.

This balanced approach, anchored in competitive procurement but responsive to real-world constraints, will enable SDG&E to continue delivering high-quality ESA services while adapting to evolving market conditions.

12.1.2. How do the IOUs plan to incorporate best practices from the use of an Independent Evaluator (IE) and Procurement Review Group (PRG) that is required for Main EE programs and was also used for MFWB?

12.1.2.1. Removing PRG and IE Requirements for Local Program Implementation

In the PY 2021-2026 cycle, the Southern Regional MFWB Program required a formal two-step solicitation process, including oversight by a statewide Independent Evaluator (IE) and a Low-Income Procurement Review Group (PRG).[106] This structure was appropriate for a large, regional program with broad scope and to ensure alignment between the Northern and Southern Regional MFWB programs. However, for the PY 2028-2033 cycle, the southern IOUs are proposing locally-administered multifamily programs, which significantly reduces the scale and complexity of each individual solicitation. In SDG&E's proposal for a local MFWB Program, the scope is more targeted, the basic design is not undergoing major changes, and the anticipated budget is smaller compared to the regional model. Therefore, SDG&E recommends removing the requirement to convene a PRG or hire an IE for the following reasons:

- **Reduced Program Scope**: The local model is more focused and manageable, eliminating the need for the extensive oversight mechanisms designed for larger, regional procurements;

[106] D.21-06-015, OP 116 at 500.

- **Cost Efficiency**: Engaging an IE and convening a PRG adds significant administrative and consulting costs. These resources could be better allocated toward direct program delivery and customer benefits;
- **Existing Collaboration Channels***:* The IOUs continue to collaborate regularly and transparently through established working groups and stakeholder forums. These venues can be leveraged to gather input, share best practices, and ensure accountability without duplicating oversight structures; and
- **Streamlined Procurement**: A simplified, local procurement process allows for faster implementation and more agile program management, which is critical for meeting evolving customer needs and regulatory timelines.

Importantly, the Commission has acknowledged that party solicitation may also cause delays, overlook efficiencies offered by IOU management and expertise, and potentially add costs and administrative burden to the program.[107] By eliminating the PRG and IE requirements, SDG&E can maintain transparency through SDG&E's ESA solicitation webpage, the monthly reports, and stakeholder engagement while improving efficiency, reducing solicitation timelines, and reducing unnecessary administrative burden.

12.1.3. How do the IOUs plan to incorporate Bulk Purchasing?

SDG&E does not plan to incorporate bulk purchasing into the ESA portfolio for the PY 2028–2033 cycle. While bulk purchasing can offer benefits such as cost savings and standardization, it is not a practical or cost-effective strategy for SDG&E's service territory. Bulk purchasing presents several operational challenges for SDG&E. The relatively small scale

[107] D.21-06-015 at Section 6.14.8.2 at 295-296.

of ESA Program operations within the service territory limits the opportunity for meaningful volume discounts. Additionally, SDG&E does not maintain centralized warehousing, fulfillment houses, or inventory management infrastructure to support bulk procurement and distribution. Materials can be subject to expiration dates or evolving code requirements, making long-term storage impractical and potentially wasteful.

Given these constraints, SDG&E will continue to rely on job-by-job purchasing by contractors, which offers greater flexibility and aligns with a localized delivery model. This approach ensures that materials are procured as needed, reducing waste and supporting efficient program implementation. Under this model, contractors may carry short-term inventory, which still enables bulk purchasing in many cases and helps achieve cost savings.

However, SDG&E remains open to considering alternative procurement strategies offered in bidder proposals through the RFP process. If bidders wish to incorporate centralized or bulk purchasing models into their proposals, SDG&E welcomes those ideas for evaluation, provided they align with program goals and operational feasibility.

12.2. Given the payment-related issues from the current program cycle, what policies can the IOUs put in place to provide a more efficient process for contractors, including invoicing and payment?

Timely and transparent payment is essential to maintaining a stable and motivated contractor workforce for the ESA programs. SDG&E recognized that payment-related issues during the PY 2021-2026 cycle have created operational challenges for contractors, particularly around invoicing clarity, payment timelines, and process transparency. To address these concerns, SDG&E is committed to implementing a more efficient framework in the PY 2028-2033 program cycle.

To reduce confusion and delays, SDG&E will develop and publish a standard operating procedure (SOP) for invoicing and payment. This SOP will:

- Clearly outline the steps required for invoice submission;
- Define documentation requirements;
- Provide expected payment timelines; and
- Include a troubleshooting and escalation process for payment issues.

This information will be included in contract documents and RFP materials to ensure all implementers and subcontractors understand the process from the outset.

Recognizing that new implementers may be unfamiliar with IOU-specific systems and expectations, SDG&E will provide targeted onboarding and training on the invoicing and payment process. This will include:

- Live or recorded walkthroughs of the invoicing system;
- Frequently Asked Questions (FAQs) and job aids; and
- Points of contact for payment-related support.

This proactive education will help manage expectations and reduce administrative friction. Additionally, SDG&E will continue to offer program-specific payment models that support contractor cash flow:

- Implementers receive payment upon approved customer enrollment, which helps offset upfront costs before measure installation.
- For other models, payment may be issued after measure installation is completed, aligning compensation with performance.

These models will be clearly defined in program guidelines and contracts, with flexibility to adapt based on program design and contractor feedback. To further streamline the payment process and support a more stable contractor workforce, SDG&E will explore:

- Transitioning to a payment model in which the third-party implementer is responsible for compensating its contractors and workforce directly as work is completed. Under this proposed model, contractors would be paid by the implementer following successful enrollment, treatment, and completion of internal quality assurance review. Once SDG&E has completed its review and validation of the work, the implementer would then be compensated for the invoiced work. This approach aligns with practices in the EE portfolio and is intended to reduce delays in contractor compensation, improve workforce retention, and ensure timely service delivery to ESA customers. It also reinforces accountability by tying payment to verified performance and quality standards;
- Automated invoice tracking systems that allow implementers to monitor payment status in real time;
- Standardized invoice templates to reduce errors and rework; and
- Regular feedback loops with contractors and implementers to identify and resolve systemic issues.

By combining clear policies, proactive education, and program-aligned payment structures, SDG&E aims to build a more efficient, transparent, and timely payment process that supports the long-term success of the ESA portfolio.

12.3. What are the Solicitations and Contracting Structure best practices and other learnings from this current cycle that the IOUs can implement for the next cycle?

As stated above, SDG&E remains committed to conducting open and competitive solicitations for delivery of ESA programs. However, the PY 2021-2026 cycle has revealed several important lessons, particularly around accessibility for implementers or small contractors, clarity of expectations, and the need for flexibility in contracting structures. The lessons learned and improvements are as follows:

- **Staggered Solicitation Timing Can Improve Market Participation**. Overlapping solicitations across IOUs can saturate the market and limit bidder capacity to respond. A staggered approach may help ensure more qualified bidders are available and reduce competition fatigue, especially among smaller or regional contractors;
- **Simplified RFP Documentation Can Increase Bidder Accessibility**. The current RFP process has proven to be overly complex for small and emerging contractors, with extensive documentation and detailed narrative requirements. Streamlining RFP materials and eliminating redundancies will help broaden participation and reduce the administrative burden;
- **Pre-Solicitation Support Improves Bidder Readiness.** Many potential bidders lack internal resources to navigate complex solicitations. Offering bidder workshops and technical assistance prior to release can improve proposal quality and expand the pool of qualified respondents;
- **Clearer Expectations Strengthen Proposal Alignment**. Potential bidders benefit from well-defined requirements around accounting, reconciliation, staffing roles, and

reporting. Future solicitations should include clearer guidance to ensure proposals are aligned with program needs and operational realities;

- **Solicitation Feedback Should Inform Future Design**. Incorporating insights from solicitation surveys and bidder feedback helps refine evaluation criteria and improve the overall structure of future RFPs; and
- **Dedicated Ramp-Up Periods Support Program Launch**. New implementers require time to recruit staff, establish systems, and understand program requirements. Contracts should include structured ramp-up timelines and funding to support successful onboarding.

By simplifying the solicitation process, clarifying contract expectations, and supporting implementers through structured ramp-up and subcontractor integration, SDG&E aims to foster a more inclusive, efficient, and effective program delivery model in the PY 2028-2033 cycle.

12.3.1. Given the range of options for contracting and administration, from IOU-designed to third-party designed, and from local to statewide implementation, what type of models do the IOUs propose for each of their programs and pilots?

In the PY 2028-2033 cycle, SDG&E is proposing that its ESA portfolio be designed by the utility, locally administered and third-party implemented. This approach leverages SDG&E's experience serving its customers while providing flexibility to efficiently deploy strategies unique to its service territory. The MFWB Program will shift from regional to local administration and implementation based on the lessons learned in the PY 2021-2026 cycle. The local MFWB model will continue to provide in-unit and CAM measures to support comprehensive whole building treatment. Specific details on each of the ESA programs are provided in Sections 6, 7 and 8. This approach is intended to enhance responsiveness, improve cost-effectiveness, and strengthen community engagement through locally focused delivery.

13. CONCURRENT APPLICATION SYSTEM (CAS)

13.1. CAS Phase I

In May 2023, the Commission issued D.23-05-006, which established the procedure for implementation of Phase I of CAS for income-qualified programs, as required by Senate Bill (SB) 1208.[108] The Decision also designated PG&E as the lead utility and fiscal agent for the Phase 1 implementation of the CAS responsible for issuing an RFP on behalf of the IOUs.[109] Phase I focuses on integrating the ESA, CARE, and FERA programs into a single application platform, establishing data privacy and consent protocols, and developing system specifications and design recommendations informed by the earlier Universal Application System (UAS) WG.[110]

The IOUs filed a Tier 3 AL seeking approval of the bid selection, IOU budgets and executed contract for the CAS development.[111] The CAS Phase I development contract was approved by the Commission on June 12, 2025, and development is currently underway with Phase I expected to launch in early 2027.

---

[108] *See* D.23-05-006 at 5-6. SB 1208 objective is to improve all low-income utility customer assistance program application processes. SB 1208 directs the Commission to coordinate with relevant state agencies that provide low-income electric or gas utility customer assistance programs to develop a concurrent application process system that will enable customers to apply to multiple low-income customer assistance programs using data collected during the original application process.

[109] *Id.,* OP 1 at 31.

[110] Universal Application System Sub-Working Group Recommendation Report (July 1, 2022), available at https://pda.energydataweb.com/#!/documents/2626/view.

[111] SDG&E AL 4543-E/3365-G, submitted November 4, 2024.

13.1.1. Forecasted budget and revenue requirement for CAS Phase I after launch, such as ongoing maintenance and enhancements

AL 4543-E/3365G included actual SDG&E CAS cost for PY 2023 and 2024 and forecasted cost for PY 2025 through 2029. CAS Resolution E-5394 rejected the IOUs' projected maintenance costs for PY 2028 and PY 2029, directing the IOUs to instead request costs for those years in their upcoming application. As such, SDG&E is requesting $311,000 for PY 2028 and $249,000 in PY 2029 as maintenance costs to support CAS Phase I activity. SDG&E proposes an increase in on-going maintenance and enhancement costs by 3% per year from PY 2030-2033 to account for forecasted labor cost escalations. Finally, SDG&E is including its 15% allocation for the Joint IOU Third Party Contract in the CAS Budget for PY 2030-2033 for their forecasted ongoing maintenance and development costs. See Attachment G, Table 8 CAS Budget for more information.

13.1.2. CAS Revenue Requirement

SDG&E recovers its CAS Program costs through revenues collected through the electric PPP funds and gas costs from all gas customers in transportation rates. Program revenue requirements are based on the authorized budgets approved by the Commission. The electric revenue requirement is approved through the annual electric PPP advice letters. The gas cost is recovered through the gas transportation rates. Program revenues and expenditures are tracked in the Electric Concurrent Application System Balancing Account (CASBA) and Gas Concurrent Application System Balancing Account (CASBA).[112] See Attachment G, Table D-1 for the CAS gas rate impact and Table D-2 for the electric PPP rate impact.

[112] D.23-05-006, OP 4(b) at 32, and Advice Letters 4236-E/3201-G, approved July 24, 2023 and effective June 19, 2023.

13.1.3. What enhancements could be made to CAS to improve cross-program enrollment, customer experience, and utilization of the platform?

SDG&E is not proposing additional enhancements to improve cross program enrollment, customer experience, and utilization of the CAS platform in Phase I at this time. The existing scope of work for the CAS Phase I contract, as approved by the Commission, includes viable features/enhancements recommended by the CAS WG and the Energy Division as feasible for Phase I implementation. Since the Commission approved the CAS Phase I Development contract in June 2025, the IOUs have been actively working with the vendor to deliver the CAS by early 2027. Given the early status of the CAS Phase I development, it is premature to consider new enhancements that address enrollments, customer experience and utilization for the CAS at this time. Improvements will depend on customer experience and advances in technology.

13.1.4. How do IOUs plan to provide marketing and outreach to income-qualified households to increase utilization of CAS?

SDG&E plans to leverage existing marketing and outreach efforts by incorporating CAS messaging on its customer assistance programs webpage, as well as printed materials distributed through mail and at community events following the Phase 1 launch in PY 2027, to support cross-promotion of CAS.

13.1.5. How do IOUs plan to track and evaluate effectiveness of CAS, including use and performance of the platform and program enrollments and referrals?

The CAS is expected to have a reporting feature. Once the CAS is launched, the IOUs plan to leverage the reporting function to monitor and evaluate CAS utilization, referrals, enrollments, and related activities. The IOUs also plan to collaborate with stakeholders to identify opportunities for further system enhancements. In the later stages of CAS Phase I

development, the IOUs will collaborate closely with the Energy Division to define and refine reporting metrics tailored to administrative needs.

13.2. CAS Phase II

13.2.1. Based on final recommendations from the CAS Working Group for Phase II, if CAS expands to other energy, water, or telecommunications customer assistance programs in the state, what changes can IOUs make to improve program coordination? What changes can IOUs make to reduce program marketing, outreach, and enrollment expenditures for the ESA, CARE, and FERA programs?

SDG&E believes it is premature to respond to this question meaningfully without a clearly defined scope for Phase II, and an understanding of the additional programs and entities that will be included. While the IOUs support coordinating with non-energy assistance programs for the benefit of mutual customers, it would be difficult to identify what changes are needed to improve program coordination as well as the appropriate ME&O strategies, budget and cost-sharing with non-IOUs associated with the project.

The IOUs could potentially reduce costs by consolidating ESA, CARE, and FERA enrollment into a single CAS interface, automating eligibility checks through state databases, and using targeted outreach rather than broad marketing campaigns.

13.2.2. If CAS expands to include income verification, what changes can IOUs make to enhance data sharing with other income-qualified programs to promote cross-program enrollment and improve customers' experience?

SDG&E believes it is premature to discuss changes in support of data sharing processes without a clearly defined scope for Phase II, and an understanding of the additional programs and participating entities. Absent this information, it is challenging to identify meaningful process improvements. However, the IOUs could potentially enhance data sharing by developing secure,

standardized application programming interfaces (APIs), aligning eligibility criteria across programs, and integrating with state databases to improve enrollment and customer experience.

13.2.3. If CAS expands to include income verification, what changes can IOUs make to application, recertification, and post-enrollment verification processes to improve enrollment and address high rates of attrition?

SDG&E believes it is premature to discuss process improvements for enrollment, recertification and verification processes to reduce attrition without a clearly defined scope for Phase II, and an understanding of the additional programs and entities that will be included. However, as mentioned in Section 13.2.2, enhancements to data sharing by developing secure, standardized APIs, aligning eligibility criteria across programs, and integrating with state databases to enable automated income verification and cross-program enrollment, could help improve attrition while maintaining privacy compliance.

14. ESA COORDINATION WITH OTHER PROGRAMS

14.1. What changes are needed to reduce barriers to enrollment, increase and maintain enrollment, and enhance the customer's experience?

To improve ESA coordination with other programs and address enrollment challenges, SDG&E recommends the following:

a. Reducing Barriers to Enrollment

- **Align Eligibility Requirements Across Programs**: Many programs use Area Median Income (AMI) while the income-qualified programs use Federal Poverty Guidelines (FPG). These discrepancies create customer confusion and limit cross-program participation. Aligning or clearly communicating eligibility criteria can simplify the enrollment process.

- **Streamline Customer Forms**: The volume and complexity of forms and required information can overwhelm customers. Simplifying required documentation and having shared intake processes across programs, such as CAS, can improve program participation and enhance customer experience.
- **Educate Local Governments and CBOs**: Increasing awareness and training for local government agencies and CBOs can improve outreach and support for customers navigating multiple programs.

b. Increasing and Maintaining Enrollment

- **Improve Coordination Among Programs**: Establishing consistent communication and recurring touchpoints between ESA and other programs, e.g., SOMAH, TECH, EBD, can enhance referrals and co-enrollment opportunities.
- **Leveraging Case Studies and Testimonials in Outreach Efforts**: In multifamily settings, tenants may be interested in participating in more than one program, but property owners or managers may be hesitant due to complexity or unclear benefits. Marketing efforts that incorporate real stories and testimonials from tenants, owners, and property managers who have successfully participated in multiple programs may address skepticism and demonstrate tangible benefits. Case studies may clarify expectations for participating in multiple programs and showcase what support was provided to reduce perceived complexity.
- **Differentiate Program Offerings**: When other programs target the same demographics and measures as the ESA programs, it can be difficult to coordinate. Ensuring that each program offers unique value can encourage broader participation, reduce confusion, and encourage program layering.

c. Enhancing the Customer Experience

- **Reduce Turnaround Time for Multifamily Projects**: Lengthy project timelines can lead to customer disengagement. Streamlining these steps and offering quicker timelines can help maintain customer interest and participation.

14.2. How can the IOUs and their contractors be incentivized to increase referrals, leveraging, and coordination between ESA and other programs to install measures and technologies to further reduce customer bills, reduce greenhouse gas emissions, and optimize ratepayer and external funding, including:

14.2.1. Programs overseen by the CPUC, including but not limited to the Self-Generation Incentive Program (SGIP), Solar on Multifamily Affordable Housing (SOMAH), Technology and Equipment for Clean Heating (TECH), etc.

SDG&E currently leverages the SPOC to coordinate and layer the MFWB Program with other CPUC initiatives such as the SGIP, SOMAH, and TECH. This model facilitates cross-program collaboration and serves as a foundation for broader coordination efforts and layering of program incentives. For ESA Main, SDG&E provides an annual list of program leads to the program implementer for Disadvantaged Communities, Single Family Affordable Solar Homes (DAC-SASH) for marketing purposes, and the DAC-SASH implementer provides SDG&E with potential leads for ESA and CARE programs. SDG&E is also working directly with TECH and DAC-SASH to support electrification efforts with PPPD. To further encourage IOUs and their contractors to increase referrals and program integration, several strategies could be considered:

- **Performance-Based Incentives**: Rather than paying contractors solely for referrals, which may not directly contribute to energy savings and could impact ESA cost effectiveness, consider performance-based incentives tied to measurable outcomes such as verified enrollment, installation of measures, or energy savings achieved;

- **Recognize and Credit Referrals**: SDG&E's time and effort in facilitating coordination and referrals should be acknowledged and potentially credited, especially when customers benefit holistically from multiple programs;
- **Integrated Program Design**: Streamlining application processes and aligning eligibility criteria across ESA, SGIP, SOMAH, and TECH programs can reduce administrative burden and encourage contractors to promote multiple programs simultaneously;
- **Funding for Coordinated Projects**: Allocating portions of program budgets for co-enrolled ESA and CPUC programs can ensure that coordination is not only encouraged but financially supported; and
- **Recognition and Training**: Providing contractors with training on cross-program benefits and recognizing high-performing partners can foster a culture of collaboration and continuous improvement.

Further discussion is needed, potentially through the proposed IQP Workshop, as described in Section 15.1.2., to explore program coordination incentives to maximize customer participation.

14.2.2. Programs overseen by other agencies, including the Community Services and Development Department's (CSD) Low Income Weatherization Program (LIWP), and the California Energy Commission's (CEC) Equitable Building Decarbonization and other decarbonization programs.

14.2.2.1. Community Services and Development Department

During the Application planning phase, SDG&E met with CSD to discuss their desire to continue and/or extend the relevant agreements to provide funding for measures related to ESA

and LIWP programs.[113] After the discussion, CSD supports SDG&E's proposal to eliminate the CSD program coordination requirement of funding common measures and to continue to do more with leveraging LIHEAP. This change is due to the LIWP and ESA programs becoming more aligned on measures and services and having more similarities now than previously. The one major difference is that the LIWP program offers solar incentives. The priority for the CSD LIWP program is to fulfill their obligations for program budget spend and households treated before accepting more funding for the same measures or services. The opportunity for ESA to provide funding is minimal to non-existent, as evidenced by the lack of data in the ESA Program Table 2E-CSD Leveraging in the monthly reports for the past several years.

Additionally, there is a difference in household eligibility criteria. CSD uses AMI and ESA uses FPG, which can prevent alignment on household treatments. With multifamily in-units, CSD requires the property to be designated as deed-restricted or have a funding commitment from a housing agency while SDG&E's MFWB Program may treat a non-deed restricted property with 80% or more of the residents confirmed as income qualified.

SDG&E will remain committed to referring customers to the LIWP program when appropriate and track this information in the required compliance reports.

14.2.2.2. California Energy Commission (CEC)

SDG&E engages with the CEC to leverage the EBD program with ESA. This coordination includes EBD referring eligible customers to the ESA programs and delivering complementary measures not covered by the ESA programs. SDG&E will continue coordinating with the EBD program through PY 2029 when it is anticipated to conclude. SDG&E has also

[113] D.21-06-015, Section 6.12.7.1, at 272 and OP 97 at 494.

facilitated referrals to clean transportation programs administered by the CEC such as the Reliable, Equitable, and Accessible Charging for Multi-family Housing and CALeVIP/Fast Charge California.

14.2.2.3. San Diego Regional Energy Network (SDREN)

SDREN is an EE Regional Energy Network approved by the Commission to serve as an EE Program Administrator in San Diego County. SDG&E coordinates with SDREN's single family and multifamily EE initiatives with the ESA programs. This coordination will be formalized in an upcoming EE Joint Cooperation Memorandum (JCM) expected to be submitted February 2026.[114] The JCM and internal protocol documents, which are currently under development, are expected to include referring eligible customers to the ESA programs and offering complementary measures not covered by the ESA programs.

14.3. How do the IOUs plan to continue the facilitation of the Clean Energy Workshop (as required in D.21-06-015 and held annually between 2021 and 2024?

D.21-06-015, OP 43 directed the IOUs to convene a clean energy program workshop focused on enhancing program coordination and customer outcomes. The workshop was intended to explore strategies for aligning customer eligibility across programs, increasing referrals and enrollment, and improving the overall benefits delivered to customers. Following the initial workshop in 2021, the IOUs submitted an advice letter with a workshop plan, which

---

[114] "[W]e will require the PAs (RENs, IOUs and CCA) to develop a joint cooperation memo to demonstrate how they will avoid or minimize duplication for programs that address a common sector (e.g., residential or commercial) but pursue different activities, pilots that are intended to test new or different delivery models for scalability, and/or programs that otherwise exhibit a high likelihood of overlap or duplication and are not targeted at hard-to-reach customers." *See* D.18-05-041 at 97 and OP 38 at 190-191; *see also* D.24-08-003, OP 3 at 18.

included the recommendation to continue to hold a workshop annually for the remainder of the program cycle.[115] Subsequently, the IOUs have conducted annual workshops through 2025.[116]

While the Clean Energy Workshops have provided valuable educational content and fostered cross-program awareness, several challenges have emerged:

- **Loss of Problem-Solving Focus***:* Over time, the workshops became more informational rather than solution oriented. Discussions around program integration and leveraging often missed actionable next steps;
- **Virtual Format Limitations***:* The shift to virtual meetings reduced engagement and participation. Without in-person interaction, it became easier for attendees to disengage; and
- **Resource-Intensive Planning***:* Organizing the workshops requires significant effort to coordinate speakers, develop agendas, and manage logistics.

For PY 2028-2033 cycle, the IOUs propose to broaden the scope of the workshop to include all cross-enrollment, leveraging, and coordination across a broader set of programs, and have the workshops be absorbed into one of the public meetings under the new IQP Workshop structure described in Section 15.1.2.

---

[115] SDG&E AL 3882-E/3030-G, Attachment B, approved December 1, 2021 and effective November 1, 2021.

[116] Income Qualified and Clean Energy Programs Workshop Dates: November 7, 2022, November 9, 2023, November 14, 2024, and July 17, 2025 available at https://pda.energydataweb.com/#!/documents/4207/view.

14.3.1. What improvements can be made to the workshop?

To enhance the workshop's value and impact, SDG&E proposes the following improvements:

a. Shift to a Problem-Solving Format

- Introduce pre-defined problem statements (e.g., "How can we streamline joint enrollment across ESA and SGIP?");
- Assign these to breakout groups composed of subject matter experts and program administrators; and
- Use the workshop to develop actionable solutions, not just share information.

b. Pre-Workshop Preparation

- Distribute background materials and problem statements in advance;
- Ask attendees to register for specific breakout sessions based on expertise or interest; and
- Set clear expectations for participation and contribution.

c. Interactive and Hybrid Format

- Host in-person with the option to attend online to foster deeper engagement; and
- Use facilitation tools (e.g., live polling, collaborative whiteboards) to encourage interaction.

d. Thematic Sessions

- Legislative and regulatory updates;
- Codes and standards;
- Data sharing and privacy; and
- Workforce development and WE&T alignment.

e. Post-Workshop Recap and Accountability

- Host a recap session to share breakout group findings and proposed solutions; and
- Include a summary matrix of recommendations, responsible parties, and timelines.

SDG&E supports integrating the Clean Energy Workshop into the new IQP Workshop structure, where a broader scope and renewed focus on problem-solving can enhance attendee engagement and lead to actionable outcomes that improve program performance.

15. WORKING GROUPS AND STAKEHOLDER ENGAGEMENT

15.1. ESA Working Group (ESA WG)

15.1.1. What is the proposed scope of work, tasks, budget, and structure to maximize productivity?

The ESA WG was formed to provide a collaborative, stakeholder-inclusive and consensus-based process towards managing the Utilities' low-income programs during PY 2021-2026 cycle and included a list of tasks.[117] For PY 2028-2033 cycle, SDG&E recommends continuing with some of the tasks as indicated in Table 23 but aligns with the IOUs to move these tasks into a new working group structure. The table provides the status of each task and a proposal for the PY 2028-2033 cycle, with a new working group structure.

Table 23: Working Groups Tasks

ESA WG TASK PY 2021-2026	STATUS	PROPOSAL for PY 2028-2033
Revisions to the Policy & Procedures Manual and Installation Standards Manual "healthy building materials," before notification through the monthly reports	Ongoing	Continue with ESA Program Technical Working Group
Revisions to measures, including new, modified, including changes to measure co-pays, or removed,	Ongoing	Continue with ESA Program Technical Working Group

[117] D.21-06-015, OP 177 at 518 and Section 10.2.2.1.

ESA WG TASK PY 2021-2026	STATUS	PROPOSAL for PY 2028-2033
before notification through the monthly reports		
Discuss additional customer segments and need states to be incorporated into monthly reporting	Completed	No longer required. Reporting updates to be addressed separately
Oversight of the Multifamily Central Portal	Completed	Propose to be retired, no longer required (see Section 7.2)
Review progress towards program goals, and recommend changes to program goals, and design and delivery as part of the Mid-cycle Progress Report (MCPR) update process	Completed	Propose a process that allows for changes to goals and budgets via an Advice Letter. Changes to program design and delivery would be discussed at IQP Workshops. Include CARE/FERA progress on enrollment goals
Review the IOUs' Energy Education approaches and provide input as to how these approaches can adapt as needed during the program cycle	To be Addressed	No longer required
Discuss the development of a UAS, for customers to access a single statewide application for CARE / FERA / ESA and propose options for system implementation	Modified to CAS	No longer required. UAS has evolved into CAS and is with a separate WG
Compose a joint MCPR progress report, in consultation with IOUs	Completed	Propose removing MCPR and replace with IQP Workshops and MCAL
Recommend adjustments to the minor home repair cap based on average costs per household, if necessary	Not necessary	No longer required. IOUs will bring this up as an item to discuss, if necessary
Review the HCS and hardship reduction metrics data collected during the first half of this program cycle and included in the MCPR	Reviewed and recommended further discussion in next cycle	Propose to address in IQP Workshop and continue as part of compliance reporting requirements
Convene cost effectiveness subgroup to address cost-effectiveness test considerations (including whether the Resource Test should continue to be used.)	Completed	Continue as needed
Work closely with the ESA/CARE Study Working Group to coordinate and avoid duplication, including NEBs study and stakeholder process	Ongoing	Continue coordination

ESA WG TASK PY 2021-2026	STATUS	PROPOSAL for PY 2028-2033
Review presentations from IOUs and MFWB Program administrators on an annual basis for reports on progress and provide feedback	Will be completed at end of cycle	Propose to combine IOU annual reports for all programs be part of IQP Workshops
Review the program data collected including the goal tracking and metrics reported by IOUs on ESA Program implementation from PYs 2021-2026, preliminary results of pilots and studies (including the electrification pilots), the 2023 P&G study, as well as impact evaluations and other public reports such as the 2022 LINA	Will be completed at end of cycle	Propose to incorporate into IQP Workshops
Consider the direction of state policy regarding the role of building electrification in meeting GHG reduction goals and whether ESA Program expenditures are consistent with that policy	Ongoing	Propose to incorporate emerging issues and/or new legislation into IQP Workshop
Discuss the progress of the ESA Program under the new design, and whether the ESA Program budget and goals set for the remainder of the program cycle are reasonable or need to be updated as part of the MCPR update process	Completed	Propose to incorporate design and delivery discussions for ESA, and best practices or strategies for improving CARE/FERA program delivery into IQP Workshop

15.1.2. How can the ESA WG be structured in order to maximize effective participation from outside stakeholders

The IOUs are recommending the ESA WG be replaced by an all-encompassing IQP Workshop, occurring at a minimum twice a year for half a day, in person. This IQP Workshop would be responsible for the current ESA WG tasks that are still relevant in the PY 2028-2033 cycle as well as any emerging topics. SDG&E recommends including CARE and FERA. For efficiency, it is recommended the IQP Workshop include the IOU Annual Report Public Presentations, as well as the Clean Energy Workshop.

The proposed IQP Workshop structure is more of an open forum which could help with participation from CBOs, advocacy groups and other stakeholders who may not have had capacity to respond to the ESA WG membership solicitations. The Workshop provides flexibility to discuss opportunities for collaboration, such as leveraging and cross-program enrollments, as well as any new programs or legislation targeting the same customer segments. It would be the responsibility of the IOUs to manage a rotating leadership role that includes all logistics for the Workshops.

Based on feedback from the ESA WG member survey conducted by PG&E in June 2025, roles and expectations for all participants should be clearly defined.[118] Many stakeholders noted that meetings often involve the same voices, while others remain passive. By establishing pre-meeting outreach and clarifying the purpose and expected contributions of each member, the WG can foster more active and equitable participation. This includes setting agendas that are relevant to each stakeholder group including time to ask questions, provide feedback and/or offer new ideas. Background materials should be provided in advance along with the purpose of the meeting, which should be more along the lines of sharing to seek feedback and/or problem solving.

The meeting formats should be streamlined and focused. The ESA WG member survey responses also indicated that while most participants find the current meeting acceptable, many recommend reducing frequency, offering alternative engagement options, or enhancing agenda structure to improve engagement. Stakeholders also requested updates on decisions, clearer

[118] ESA WG Member Survey, June 2025.

documentation of how feedback is used, and better visibility into program changes to improve transparency and communication.

Based on the above ESA WG member feedback, IQP Workshops should have a clearly defined annual plan that outlines deliverables, timelines, and roles. The rotating IOU lead would manage logistics, ensure adherence to timelines, and produce transparent documentation of decisions and recommendations. This includes publishing meeting summaries, tracking feedback integration, and providing regular updates on program changes and stakeholder input.

15.1.3. In addition to the ESA WG and sub-working groups (for cost-effectiveness, etc.) what working groups resources are needed for CARE, FERA, or other program components?

The IOUs are recommending the Policies and Procedures and Installation Standards (PP/IS) Sub-Working Group continue as a stand-alone working group, but under a new name. The new ESA Program Technical Working Group would maintain the same membership structure comprised of IOUs and ESA stakeholders who have relevant expertise, in addition to the technical support of a third-party technical consultant. It should continue with the tasks assigned, such as the revisions to the PP/IS Manuals, updates to measures (including new, modified, or removed), and submitted for notification through the monthly reports, consistent with the current process.[119]

SDG&E does not recommend a separate working group for CARE or FERA programs. SDG&E recommends CARE and FERA programs be included in the IQP Workshop with the ESA portfolio. Keeping all income-qualified programs together is the most efficient since the programs leverage referrals, influence each other, and have the same stakeholders. With a bi-

[119] D.21-06-015, Section 10.2.2.1, at 413 and OP 177 at 518.

annual, half-day workshop, the IOUs anticipate enough time can be allotted for robust discussion around the ESA portfolio as well as CARE and FERA programs.

15.2. Stakeholder Engagement

15.2.1. How did the IOUs conduct stakeholder engagement and incorporate their input in these applications?

To support the development of the ESA, CARE, and FERA program applications, SDG&E implemented a structured stakeholder engagement process designed to gather meaningful input and ensure alignment with regulatory expectations and community needs. This process began with the development of a stakeholder engagement plan that identified key parties to the proceeding and prioritized outreach to those with subject matter expertise, community representation, or program delivery experience.

SDG&E scheduled one-on-one meetings with stakeholders, including CBOs, contractors, and consumer advocates. These meetings were guided by presentation materials that outlined the proposed future state of the programs and invited open discussion on key elements such as program design, delivery models, and budget allocations. (See Appendix A for the list of meetings and dates.)

SDG&E compiled the results of stakeholder feedback and conducted an internal review to assess the feasibility and alignment of stakeholder recommendations with program goals and constraints. Input was then incorporated into the applications, particularly in areas related to budget prioritization, program design refinements, and delivery strategies. This iterative process informed this application which reflects a broad range of perspectives and addresses common themes raised by stakeholders.

15.2.1.1. How did the IOUs incorporate input from the Low Income Oversight Board (LIOB), LIOB Technical Advisory Committee (TAC), and Disadvantaged Communities Advisory Group (DACAG)?

The IOUs are required to submit standardized quarterly reports to the LIOB and present a summary of highlights and challenges during the regularly scheduled quarterly meetings. At these meetings, the LIOB members as well as members of the public provide comments, ask questions, and convey their perspectives on program components. The IOUs requested time on the LIOB agenda to provide insights on their content for the PY 2028-2033 cycle applications, but the LIOB schedule did not allow an opportunity for formal discussion. Instead, the LIOB stated that they would review and discuss the IOU presentations shared at the August 2025 ESA WG meeting during the November 2025 TAC meeting. At the ESA WG meeting, the IOUs presented highlights from their applications and received comments on major topics such as fund shifting, unspent funds, electrification, cost effectiveness, program cycle length, and the process for making program changes. These topics have been addressed within this Testimony.

Without direct feedback from the LIOB during the development of the IOU applications, SDG&E's program teams reviewed the notes and transcripts from prior meetings to identify common themes that could be addressed in the PY 2028-2033 cycle, if not sooner. The three key themes identified were:

- Managing customer affordability;
- Addressing contractor costs and payments; and
- Handling of unspent funds.

SDG&E considers each of these as critical components for program success and has addressed them throughout this Application. The ESA portfolio budget request is a modest increase over the previous cycle budget. It includes an escalation factor to address contractor

cost concerns and maintains a focus on priority customer segments. SDG&E is also requesting flexibility in budget management to help with unspent funds.

The IOUs conferred with the Energy Division regarding a meeting with Disadvantaged Communities Advisory Group (DACAG) to gather input on this Application. After having conferred internally to better understand the functions of DACAG, Energy Division determined that an IOU presentation was not necessary at this time. Energy Division confirmed they no longer expected the IOUs to present to DACAG. Instead, there may be opportunities to engage after the applications are submitted.

15.2.2. How do the IOUs plan to continue stakeholder engagement during the post-decision solicitation and implementation process?

SDG&E plans to continue open and transparent stakeholder engagement during the solicitation and implementation process by:

- Hosting a public meeting to share and gather feedback on solicitation and implementation plans prior to the beginning of the competitive bidding process;
- Presenting at the IQP Workshop and/or LIOB public meeting;
- Providing updates on SDG&E's solicitation website, the California Energy Efficiency Coordinating Committee (CAEECC) website and Proposal Evaluation & Proposal Management Application (PEPMA), with instructions on how to provide comments;
- Sending notices with information to the relevant regulatory proceeding service list(s);
- Consulting with SDG&E's Partner Solutions Network of CBOs and Tribal Leaders for insights; and
- Reviewing and discussing plans with ESA contractors at regularly scheduled quarterly or monthly meetings.

SDG&E proposes not to utilize a PRG or IE for solicitations in PY 2028-2033 cycle based on the minimal changes for ESA Main and the reduced complexity in the MFWB Program as a utility-specific, local program versus a multi-utility regional program.

Following the Commission's approval of this application, SDG&E will develop a project plan with meeting dates, attendees, tasks and responsibilities for program solicitations and implementation including the use of websites such as PEPMA and CAECC, as well as social media platforms such as LinkedIn for generating awareness and interest. See Table 24 for an illustrative timeline of solicitations and implementation.

Table 24: ESA Portfolio Solicitation Timeline

Program	ESA Main	ESA Electrification Pilot	MFWB
Milestones	**Schedule**	**Schedule**	**Schedule**
Commission Decision	June 2027	June 2027	June 2027
RFP Preparation	July - August 2027	July - August 2027	January - February 2028
RFP Release to Bidders	September 2027	September 2027	March 2028
Evaluate Submittals	October 2027	October 2027	April 2028
Conduct Interviews	November 2027	November 2027	May 2028
Finalize Selection	November 2027	November 2027	May 2028
Contract Negotiations	December 2027 - March 2028	December 2027 - March 2028	June - September 2028
Execute Contract / Notify Unsuccessful Bidder(s)	April 2028	April 2028	October 2028
Implementer Ramp-Up Activities	May – July 2028	May - December 2028	November 2028 - January 2029
Open for Enrollment	August 2028	January 2029	February 2029
Established Operations	September 2028	February 2029	March 2029

15.2.3. What type of pre- and post-application in-person and virtual workshops and public meetings will the IOUs conduct to increase awareness of and engagement with their next program cycle plans?

SDG&E's outreach efforts for increasing awareness and engagement around the next program cycle plans include:

- Development and execution of a stakeholder engagement plan;

- Presentations at ESA WG public meetings, LIOB public meetings, and subcommittee meetings;
- Presentations at quarterly Partner Solutions Network meetings with CBOs;
- Presentations at Tribal Leadership meetings; and
- Presentations at ESA contractor meetings.

Additionally, SDG&E will continue discussions with other state agencies such as CSD, CEC, and RENs.

15.2.3.1. SDG&E and San Diego Regional Energy Networks:

SDREN was established through a partnership between San Diego Community Power, a Community Choice Aggregate provider in SDG&E's service territory, and the County of San Diego. SDREN will offer EE programs and services to hard-to-reach and underserved communities starting in 2026. SDG&E coordinates with SDREN through a JCM to support EE programs, and in 2026 will incorporate the ESA programs into the JCM. SDG&E and SDREN will continue to have monthly touchpoints to avoid overlap with ESA programs and ensure customers are served by the appropriate program.

16. MEASUREMENT & EVALUATION STUDIES AND OTHER REPORTS

16.1. How do the IOUs plan to incorporate findings from relevant studies and information, including:

16.1.1. 2022 and 2025 Low Income Needs Assessment (LINA) Studies

16.1.1.1. 2022 LINA Study

The primary objective of the 2022 Low Income Needs Assessment (LINA) Study was to understand renters' energy-related needs. There were four key recommendations based on the findings that SDG&E incorporated into its ESA programs as listed below:[120]

- Prioritize single family renters over multifamily renters due to larger energy burdens and higher energy bills combined with a greater level of interest in participating. Multifamily renters see less benefit due to already low energy bills and therefore have less interest.
    - ESA Main serves both owners and renters of single family and mobile homes. However, collecting the POA has proven to be a significant challenge, requiring additional effort and attention. The Southern Regional MFWB Program targets property owners and managers, who can directly enroll tenants into the program thereby reducing the effort to contact each unit separately and overcome the lack of interest.
- Develop outreach strategies that engage renters and property owners simultaneously and communicate to renters that ESA will work with the landlord on their behalf.
    - ESA Main has implemented a communication strategy that includes direct contact with the property owner via email and phone once the renter has

[120] 2022 Low Income Needs Assessment, Evergreen Economics (December 9, 2022) at 2-8, available at https://pda.energydataweb.com/#!/documents/2749/view.

provided the contact information and is in support of the outreach effort. Identifying property owners prior to the in-home visit with the renter is challenging since the utility account is usually in the name of the renter. SDG&E is researching property management firms to identify owners who may be renting to income-qualified customers.

- Modify outreach messaging to leverage specific sub-population findings from households with health concerns, climate concerns, high energy burden, and/or language barriers. Messaging should emphasize ventilation and pollution protection benefits and potential bill reduction benefits from HVAC measures.
    - SDG&E's enhanced segmentation strategy for the PY 2028-2033 cycle prioritizes these sub-populations or segments, as detailed in Section 2. Outreach and messaging will also be refined to address the specific needs of the segments and leverage the findings around emphasizing heating, cooling, ventilation, and pollution.
- Increase outreach to renter households with seniors, disabled residents or a large number of residents, and update messaging to emphasize health benefits of HVAC-related measures, particularly for households with seniors and/or health problems. These rental households have indicated a greater willingness to participate.
    - SDG&E agrees with this approach. However, finding data that accurately identifies these individual homes is challenging. SDG&E utilizes the "Asthmas" indicator in CalEnviroScreen 4.0 as a proxy to identify areas within its service territory with varying levels of respiratory conditions, not

individual homes.[121] For seniors, the eligibility estimate provided by Athens Research represents the number of households with at least one member who is at least 62 years old at the time of data collection, but individual households are not identified and can't be classified. SDG&E utilizes the high usage indicator as a proxy for a household with a large number of residents since that data is unknown until an application is submitted, but it is not always accurate. SDG&E intends to emphasize health benefits in messaging to priority segments where there is a known condition that can be addressed with program participation and measure installation.

16.1.1.2. 2025 LINA Study

The 2025 LINA study's primary objective is to explore the needs and energy consumption behaviors of both high and low energy usage low-income customers to examine how the ESA Program benefits customers in these segments and how ESA can more effectively reach and provide services based on customer needs and characteristics.[122] The study yielded insights into understanding that high and low users are similar in terms of the desire to lower bills, income level, age of their homes, and thinking they are doing everything to save energy. The draft report was presented during a webinar with stakeholders on September 25, 2025. The final report and comment response spreadsheet were posted to the Energy Division's Public Document Area (PDA) on October 30, 2025.

---

[121] SDG&E 2024 Annual Report at ESA Table 16A-D and A-27, n.17.

[122] 2025 Low Income Needs Assessment Final Report, Evergreen Economics, October 30, 2025, available at https://www.calmac.org/%5C/publications/2025_LINA_Final_Report_103025.pdf.

The findings and recommendations are listed below, along with SDG&E's plan to incorporate them:

- High-using households may have pumps such as freshwater/sump, hot water circulation, well, irrigation, and pool pumps. ESA should consider expanding beyond current pool pump offerings to include efficient irrigation and well pumps.
    - SDG&E does not anticipate many households in its service territory to be using these rare types of pumps and does not plan to offer them. SDG&E will continue to offer pool pumps.
- High-using households are more likely to have dishwashers and clothes dryers. ESA should consider adding dishwasher and clothes dryer upgrades for households with existing old and inefficient equipment.
    - SDG&E currently offers replacement like-for-like electric clothes dryers but will not continue with these in the next program cycle due to the low cost-effectiveness score. Dishwashers are not currently offered and will not be included for the same reason.
- Households frequently employ more than one cooling method—typically a combination of opening windows, using fans, and operating central AC systems. ESA should assess non-central AC cooling systems in hot regions and provide education or replacements of old and inefficient portable cooling equipment.
    - SDG&E currently offers a portable AC measure but plans to eliminate it in the PY 2028-2033 cycle due to the low installation rate with only one installation in PY 2024. SDG&E will continue to offer window or room AC replacements, which are much more in demand. Ceiling fan replacements are

also being added to the measure mix for the PY 2028-2033 cycle for extreme heat areas.

- High-using households are more likely to have more plug loads. ESA should enhance the use of smart strips by offering more than one based on home occupancy.
    - SDG&E intends to continue offering smart strips based on the current workpaper requirements and installation standards, which limit the quantity and require specific items to be plugged in for savings.
- High-usage households supplement their furnace with secondary heating equipment regardless of the heating need. ESA should consider upgrades for outdated or inefficient primary equipment and provide education.
    - SDG&E will continue to offer furnace repair and replacement along with appropriate education on use of equipment.
- A large proportion of high usage households have second refrigerators. The ESA Program should continue offering second refrigerator replacements, as nearly half of high-using households have these energy-intensive appliances.
    - SDG&E plans to continue offering refrigerators in the next program cycle.
- High-usage households are less likely to think conservation actions save energy and are less likely to take them "always or almost always." Half already think they use as little energy as possible. ESA should develop targeted materials showing which actions truly save energy to demonstrate practical changes without sacrificing comfort and provide energy educational materials with as many residents of the homes as possible.
    - SDG&E's contractors provide energy education during every visit with the customer and will review key points. Customers also have access to the

materials online to review at their convenience. SDG&E intends to further evaluate this recommendation and will update, as needed.

- Some low-usage households seek comfort by making dangerous heating choices (using ovens/stoves, turning off pilot lights). ESA should consider providing education on heating systems and stove safety alongside program materials that help households understand which behaviors save energy and which do not.
    - SDG&E's contractors provide energy education during every visit with the customer and will review key points. Customers also have access to the materials online to review at their convenience. SDG&E intends to further evaluate this recommendation and will update, as needed.
- Some language barriers persist during technical phases of the program. ESA should consider in-language accommodations throughout the process, with particular attention to the assessment and installation phases.
    - SDG&E is fully committed to supporting customers with in-language materials and assistance and intends to coordinate more with CBOs and other outreach specialists like CHANGES to help overcome any issues.

16.1.2. 2023 and 2025 Potential & Goals Studies

The Potential & Goals (P&G) study serves as a baseline analysis to estimate energy and demand savings potential across the IOU service territories. It also assesses the potential adoption of measures such as EE, HCS, and fuel substitution.

For the 2023 study, IOUs noted that the analysis relied on historical ESA Program data and did not adequately account for new program designs or current market conditions. Therefore,

the results of the 2023 P&G study overestimated the ESA Program's realistic energy saving potential and were excluded from consideration in this application.

In reviewing the 2025 P&G study, SDG&E identified several concerns that limit its applicability for forecasting realistic ESA Program outcomes. The study lacked sufficient detail on how the "High" and "Double" scenarios could be realistically achieved when measure adoption did not explicitly consider implementation challenges and feasibility.[123] Uncertainty around fuel substitution further undermined the feasibility of the proposed scenarios, and multiple HCS measures were mischaracterized. Additionally, the study did not incorporate the Commission's statewide 60% Willing and Feasible to Participate factor, which is critical to accurately estimating measure adoption.[124] Other factors such as market volatility, driven by rising appliance costs, also affect measure availability, pricing and installations. SDG&E actively engaged with contractors to assess costs, availability and potential measure install frequencies before finalizing the recommended measure mix and budgets.

SDG&E utilized the 2025 P&G study as a directional tool to inform the measure mix forecast for this application. The study provided useful insights into measures with higher potential penetration as well as paths to achieving energy savings goals. As noted by Guidehouse, the study's author, the study is not intended to be used directly for setting ESA goals or determining program design and implementation, but rather to inform processes.[125] SDG&E's proposed budget for the PY 2028-2033 cycle is approximately 60% higher than the

---

[123] 2025 Income Qualified Potential and Goals Study, Final Report, Guidehouse (July 9, 2025) at 15 and 50.

[124] D.16-11-022 at 270.

[125] 2025 Income Qualified Potential and Goals Study, Final Report, Guidehouse (July 9, 2025) at viii and 52.

budget proposed in the P&G study for the base scenario, which translates to serving more customers and forecasting higher savings goals.

16.1.3. 2025 Non-Energy Impacts (NEI) Study

The 2025 ESA Non-Energy Impacts Study provides updated, California-specific valuations of comfort, noise, and indoor air quality benefits resulting from ESA Program participation. While only a subset of participants reported improvements, those who did attribute meaningful value to these changes have been integrated into the ESACET calculations. However, the study also highlighted key gaps, notably the exclusion of home safety outcomes. The June 2025 study found that the average ESA participant from 2023 through Q1 2024 received approximately $9 in first-year non-energy benefits (NEBs) related to comfort, $1 from improved indoor air quality, and $1 from noise reduction.[126] The updated IOU-specific values have been incorporated into the ESACET to allow the utilities to conduct cost-effectiveness testing for the PY 2028-2033 application. The ESA cost-effectiveness tool highlights the need for future research to capture additional health and safety benefits that were not addressed in this study. Therefore, the IOUs propose conducting a new NEI Study and tool update during the PY 2028-2033 cycle.

[126] Energy Savings Assistance Program Non-Energy Impact Study, Final Report, Evergreen Economics (June 17, 2025) available at https://pda.energydataweb.com/api/view/4163/2025ES~1.PDF.

16.1.4. PG&E FERA Study, An Assessment of Achievable Enrollment and Program Efforts

On August 22, 2025, PG&E filed the final report assessing the achievable enrollment potential for the FERA Program.[127] PG&E enlisted Evergreen Economics and Resource Innovations to assess its efforts to enroll eligible customers for FERA, investigate why outreach efforts PG&E considered to be aggressive have not resulted in targeted enrollment levels, and identify what they could do differently to increase enrollment. In addition, the study examined what level of enrollment is achievable and what policy options exist to increase participation in FERA by eligible households. SDG&E will examine the report's key findings and recommendations, look for similarities within its service territory, and estimate potential impact to its FERA enrollment.

16.1.5. ESA/CARE/FERA-Specific Evaluation Studies

SDG&E is not proposing any CARE or FERA Program studies at this time. For ESA, the expected completion dates of both ESA Main and Southern Regional MFWB Impact Evaluation and the Process Evaluations as ordered in D. 21-06-015 are after the filing date for this Application, as shown in Table 25.[128] The purpose of these evaluations is to "ensure that the program activities are consistent and producing intended outputs and outcomes and to propose processes to help the program better achieve its goals and objectives."[129] The results are expected to inform both program delivery strategies and measure-level savings values. The

---

[127] FERA Study, An Assessment of Achievable Enrollment and Program Efforts, Evergreen Economics (August 22, 2025) available at https://pda.energydataweb.com/api/downloads/4156/FERA%20Study%20Report%20Final%202025%2008%2022_.pdf.

[128] D.21-06-015, OP 166 at 514-515 and OP 169 at 515-516.

[129] *Id.*, at 396 (citation omitted).

Impact Evaluation is particularly important to SDG&E as previous Impact Evaluation results are nearly a decade-old, from PY 2015 through 2017, and did not provide statistically significant results for SDG&E.[130]

Table 25: ESA Program Impact and Process Evaluations

Study Name	Expected Final Report Date
ESA Main Program Impact and Process Evaluation	Q4 2027
Southern Regional MFWB Impact and Process Evaluation	Q4 2028

Both studies are expected to provide significant insights into program design and program goals. The IOUs plan to coordinate closely with Energy Division and stakeholders to review the evaluation findings and determine if immediate action is needed after the results are published, or if the IOUs can defer to the MCAL to propose program modifications, as described in detail in the Prepared Testimony of Kazeem Omidiji, Section V.B.

16.1.6. Main EE program reporting and evaluations, including from the Equity segment, and ED-wide Decarbonization programs

SDG&E reviewed the following three studies designed to support and inform California Equity and Decarbonization initiatives:

- CPUC Third Party (3P) Equity Process and Effectiveness Evaluation Final Report (September 2024), Opinion Dynamics
- CPUC Fuel Substitution Behind the Meter Infrastructure Market Study (May 2024), Guidehouse and Opinion Dynamics

[130] ESA Impact Evaluation Program years 2015-2017, DNV-GL (April 26, 2019) available at https://pda.energydataweb.com/#!/documents/2173/view.

- California Impact of Incentives on Customer Fuel Substitution Research for the California Investor-Owned Utilities (May 2024), Opinion Dynamics with support from Applied Public Policy Research Institute for Study and Evaluation (APPRISE).

Below is a summary of key findings and recommendations, along with SDG&E's proposed approach for integrating these insights into its ESA programs:

a. California Public Commission (CPUC) Third Party Equity Process and Effectiveness Evaluation Final Report (Report)

The CPUC Third Party Report evaluates alignment with the CPUC ESJ Action Plan and provides recommendations to advance energy equity in California. The findings of the report recommend improvements to community engagement activities, particularly around program design, implementation, and measures of success. SDG&E's proposed customer segmentation strategy described in Section 2 directly aligns with the ESJ Action Plan by prioritizing the engagement of Disadvantaged Communities, Tribal lands, and all income-qualified households in ESA programs. SDG&E's proposal for the PY 2028-2033 cycle aims to collaborate with CBOs, Tribal leaders, and a local workforce to help build trust and inform culturally appropriate messaging and service delivery. Regarding incorporating measures of success, SDG&E is proposing to continue collaborating with Energy Division to align the metrics that will be reported in the PY 2028-2033 cycle, described in Section 16.3.

b. CPUC Fuel Substitution Behind the Meter Infrastructure Market Study

The CPUC Fuel Substitution Market Study provides an assessment of the infrastructure needs and costs associated with fuel substitution measures in California among market-rate customers and equity segments. SDG&E's Pilot in Section 8 incorporates many of the study findings within the Pilot design regarding panel constraints, drivers of infrastructure upgrades and costs to inform the proposal.

c. California Impact of Incentives on Customer Fuel Substitution Research for the California Investor-Owned Utilities

The California Impact of Incentives on Customer Fuel Substitution Research assesses the customer-side economics of heat pump installation among other research objectives. The findings of the research highlight the need to address technical assistance, workforce development, and local code barriers to advance fuel substitution in the EE Equity segment. SDG&E's Pilot proposal will ensure contractors have the necessary skills, resources, and access to local code information to support installations. It will also help customers understand their electrification options and potential impacts before making electrification decisions.

16.1.7. Changes Program Evaluation

The Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) Program provides in-language services to Limited English Proficiency (LEP) customers of California's four largest IOUs. The program offers case assistance, education, and outreach to help LEP customers manage their energy services.

CHANGES is overseen by the Commission and implemented by a primary contractor through a statewide network of 25 CBOs. The program was launched as a pilot in 2011 with a $0.5 million budget and was formalized as an ongoing statewide program by D.15-12-047, effective January 1, 2016. The current annual budget of approximately $1.8 million was authorized for PY 2021-2026 by D.21-06-015.

D.21-06-015 authorized up to 4% of the combined CHANGES budgets for PY 2021-2026 (or approximately $0.4 million) to support at least two third-party evaluations. PG&E was assigned contract management responsibilities and collaborated with Commission staff and IOU evaluation teams to develop scopes of work and select evaluators through competitive solicitations.

Despite IOU independent management of the evaluation of contracts, stakeholders expressed concerns regarding potential conflicts of interest. It is recommended that the Commission resume the contract management role for future evaluations to enhance perceived impartiality and credibility of results.

16.2. What new studies, with budgets and timelines, are the IOUs proposing for the new program cycle?

The IOUs are proposing a total of five studies with the objective of formulating recommendations that would improve the effectiveness and strategic direction of the ESA, CARE, and FERA programs for the PY 2028-2033 cycle.

The plan includes impact and process evaluations for ESA Main and the MFWB Program. The evaluations will be combined into two projects: (1) ESA Main Impact and Process Evaluation; and (2) MFWB Program Impact and Process Evaluation.

These evaluations are scheduled across the 2029-2033 period, with a total budget of $1.4 million, of which SDG&E will contribute $0.2 million utilizing the IOU funding split.[131] The assumption for the ESA Main and the MFWB Program Impact Evaluation is to start the process in 2028, with year 2029 as the representative year for program data analyses. These studies will assess energy savings, cost-effectiveness, and customer outcomes associated with program participation, and will be instrumental in refining measure offerings and delivery models. The structure of these evaluations will be built on lessons learned from the upcoming PY 2026-2027 ESA Impact & Process Evaluation, which is currently being scoped.

[131] D.21-06-015, OP 166 at 514-515 and OP 169 at 515-516. SDG&E -15%; SoCalGas - 25%; PG&E - 30 %; SCE - 30%.

The 2028 LINA study will cross program cycles with a total budget of $0.5 million split between ESA and CARE budgets, of which SDG&E will contribute $75,000. The required authorized committed funding for 2028 LINA study will be carried forward into the next program cycle.132 Scoping for the 2031 LINA study will occur in 2029. As with previous LINA studies, a competitive solicitation for a third-party consultant for each study will be conducted by a selected IOU lead. Upon approval of the study scope by the Energy Division, the solicitation will begin in 2029, with an anticipated contract execution of March 31, 2030. The study will be completed by December 31, 2031. The 2034 Statewide LINA study will be scoped and solicited by March 31, 2033, and is expected to be completed by December 31, 2034. The 2034 LINA study will cross program cycles, and the funding will be carried forward into the next program cycle.

The budget proposal for the Non-Energy Benefits Study (NEB) and Tool Update is evenly spread across program years 2029 and 2030 with a total budget of $0.5 million, of which SDG&E will contribute $75,000. The proposed budget is the same as the amount authorized for the Non-Energy Impacts Study conducted for the current cycle. The 2029 and 2030 NEBs study will explore a broader suite of methodologies to come up with California-specific valuation for health and safety benefits. These study results are expected to better capture the full scope of benefits ESA provides to income-qualified households. The IOUs plan to conduct this study in 2029 and 2030 and complete the study by 2031, with the goal of utilizing study results to inform the ESA portfolio.

---

[132] D.21-06-015, OP 167 at 515: The authorized and committed budget for the 2028 LINA study may be carried forward into the next program cycle, if needed.

SDG&E proposes to continue the IOU Evolving Study and Data Needs budget in the PY 2028-2033 cycle and maintain the approach approved in D.21-06-015.[133] The budget for the current cycle is $1.2 million and was split evenly among the IOUs. SDG&E was approved to use funds from its $0.3 million budget to conduct a '"rapid feedback'" study to assess its SPOC model for MFWB.[134] However, as discussed in the IOU MCPR, SDG&E decided not to move forward with this study based on the following key developments:[135]

- The SPOC model originally proposed by SDG&E was designed to support its own, locally administered MFWB Program. The program was modified by D.21-06-015 and integrated into a broader Southern Regional MFWB Program initiative;
- The current SPOC structure differs substantially from the original proposal, with the inclusion of multiple Account Managers under the third-party MFWB implementer model; and
- It may be more effective to allocate resources toward initiatives with greater potential for impact and alignment with program goals and consider this study at a later stage.

SDG&E will continue monitoring performance of the SPOC within the Southern Regional MFWB Program and assess opportunities for future studies that may reveal insights beyond those identified in the currently approved MFWB process and impact evaluations.

Additionally, a portion of SDG&E's current Evolving Study and Data Needs budget has been designated for a feasibility study to explore development of an implementation plan for a

---

[133] *Id*., OP 173 at 517, at 379 and at 403.

[134] *Id*., OP 131 at 504, and at 362.

[135] A.19-11-003, et al. Investor-Owned Utilities' Joint Energy Savings Assistance Midcycle Progress Report (December 20, 2023).

central repository to maintain ESA Program measure workpapers and packages. The feasibility study has a budget of under $0.1 million and was approved by the CARE/ESA Study Working Group on September 10, 2025. The study began in Q4 2025.

In this Application, SDG&E is requesting the same amount of $0.3 million for Evolving Study and Data Needs to be spread across PY 2029, 2030, and 2031. See Attachment G, Table A-4. However, D.21-06-015 also allows for the funds to be rolled over to the next program year or borrowed from a future program year within the cycle, to allow for flexibility in scheduling changes with these efforts.[136] SDG&E appreciates having this flexibility for future and ongoing study and data needs and supports continuing to work with the ESA/CARE Study Working Group to provide oversight for approval of these studies, using ground rules similar to the EE EM&V process.

SDG&E plans to conduct evaluations throughout the PY 2028-2033 cycle to monitor the effectiveness of its programs through rapid response activities such as surveys, focus groups of program participants, non-participants, contractors, CBOs, etc. with the intent to ensure that program design continues to meet the evolving needs of income-qualified customers, while remaining aligned with statewide priorities around energy equity, decarbonization, and cost-efficiency.

For all studies listed except for the LINA study, the IOUs propose that the ESA/CARE Study Working Group process determine the final scope, budget, and timeline of the various EM&V studies, as was authorized in D.21-06-015. The list of the specific evaluations, studies,

[136] D.21-06-015, OP 181 at 520-521.

and budgets proposed by the IOUs can be found in Attachment G, Table A-4. SDG&E's funding portions are based on the 15% cost share.

16.3. Proposed Tables for Future Reporting

16.3.1. ESA/CARE/FERA Annual and Monthly Reports, all tables

16.3.2. While submitting tables that match the current reporting, the IOUs should also propose tables and reporting for the next program cycle, taking into account usefulness, simplicity, and use of the Data Visualization dashboard

At the time of this Application, Energy Division and the IOUs have begun discussions on streamlining reporting. As such, SDG&E is not proposing specific changes to metrics or tables in this testimony, and instead proposes the IOUs continue collaborating with Energy Division to align on the metrics that will be reported in the PY 2028-2033 cycle to address the needs and interests of stakeholders and ensure that the data is being presented in a comprehensive and effective manner. Previously ordered reporting requirements will be reviewed for relevancy when establishing the final reporting metrics recommendations, as there are several reporting requirements that may no longer apply, lack significant information, or may be infeasible to provide. SDG&E's proposal to streamline reporting requirements also includes considering CEDARS as an alternative reporting format. More discussion can be found in the Prepared Direct Testimony of Kazeem Omidiji Section V.B.

17. CONCLUSION

This concludes the prepared direct testimonies of Roland Mollen, Horace (Ty) Tantum, and Mia Graff.

18. STATEMENT OF QUALIFICATIONS - ROLAND MOLLEN

My name is Roland Mollen. My business address is 8335 Century Park Court, Suite 1200, San Diego, California 92123-1257. I am employed by SDG&E as its Residential Customer Programs Manager. In my current position, I am responsible for managing SDG&E's customer assistance programs which include ESA, CARE, and FERA. In addition, I am responsible for all related processing activities such as new applications, recertifications, and post-enrollment verifications.

The purpose of my testimony is to sponsor and testify to the substance of the program operations and associated budget requests for the ESA, CARE, and FERA programs.

My qualifications and experience are as follows: I attended Webster University. I graduated with a Master of Business Administration degree.

I was hired by SDG&E in 2016 in the Marketing & Communications Department. Since then, I have held positions of increasing responsibility at SDG&E. I have been in my present position for approximately three years.

I have submitted written testimony before this Commission previously.

19. STATEMENT OF QUALIFICATIONS - HORACE (TY) TANTUM

My name is Horace (Ty) Tantum IV. My business address is 8328 Century Park Court, CP62C, San Diego, California, 92123-1569. I am employed by San Diego Gas & Electric Company (SDG&E) as Manager of Advertising and Marketing Communications. In my current role, I am responsible for leading the marketing team to develop and implement marketing plans for Customer Programs, Wildfire and Gas & Electric Safety. I have been employed by SDG&E since 2012 in various roles.

The purpose of my testimony is to sponsor and testify to the substance of the marketing plans for the ESA portfolio. Specifically, I'm sponsoring Section 10.1.

Before joining SDG&E, I served as the Marketing Director for MJE Marketing in San Diego for two years, and Senior Account Supervisor for Brandon Taylor, SDG&E's general market advertising agency of record from 2002-2010. I graduated from the University of Colorado with a Bachelor of Arts degree in Economics and a Masters of Business Administration (MBA) with marketing emphasis. I have more than 30 years of experience in marketing, communications, advertising, business management and creative direction for various industries.

I have previously testified before the California Public Utilities Commission.

20. STATEMENT OF QUALIFICATIONS - MIA GRAFF

My name is Mia Graff, and my business address is 8335 Century Park Court, Suite 1200, San Diego, California 92123-1257. I am employed SDG&E as its Customer Outreach and Engagement Supervisor. In my current role, I am responsible for managing SDG&E's customer assistance outreach strategies for key programs including ESA, CARE, and FERA. This includes overseeing outreach efforts conducted through community-based organizations, targeted campaigns, and direct customer engagement channels.

The purpose of my testimony is to sponsor and testify to the substance of the program operations and associated budget requests for the ESA, CARE, and FERA programs. Specifically, I'm sponsoring the following Sections 2.2 and 10.

My qualifications and experience are as follows: I joined SDG&E in 2006, beginning my career in the Customer Care Center, where I gained extensive experience in direct customer service, program education, and issue resolution. Over the years, I have held positions of increasing responsibility, contributing to various customer-focused initiatives and program implementation. I have served in my current position for approximately three years, during which I have led efforts to expand outreach, improve program accessibility, and strengthen engagement with hard-to-reach and underserved communities.

I have not previously testified before this Commission.

Appendix A

SDG&E Stakeholder Meeting List

Appendix A - SDG&E Stakeholder Meetings - Income Qualified Programs Application PY 2028-2033

Discussions were focused on current and future state of CARE/FERA/ESA Programs and included leveraging other programs and potential funding sources.

Stakeholder Organization	Meeting Dates
CalPA	June 9, 2025
LA County & CEC	July 3, 2025
Center for Accessible Technology (C4AT)	June 12, 20205
CSD	July 23, 2025
TURN	Declined
NRDC	Declined
DACAG	Postponed per ED
SDREN	July 11, 2025
ESA WG	August 28, 2025
ESA WG – MFWB Workshop	November 5, 2025
LIOB (TAC Committee)	November 10, 2025
Tribal Communities	October 13, 14, 20 & 28, 2025
ESA Contractors:	
CUI	April 2, 2025
Maroma	August 15, 2024
MAAC	April 1, 2025
Synergy	April 4, 2025
ESA Main Subcontractors	April 22, 2025 June 19, 2025 June 24, 2025
MFWB Subcontractors	July 17, 2025
RHA/RI	August 5, 2024 June 26, 2025 & ongoing
TechniArt/RI	June 6 & 14, 2025
TECH Clean CA – Ortiz Group	September 3 and October 10, 2025; ongoing discussions