- PA program teams hold meetings, as necessary, to discuss and/or align outputs as appropriate.

### *Produce, Review, and Finalize Report and Advice Letter*

The purpose of this stage is to translate the insights and findings of the collaboration, workshop and data analysis process into draft and subsequent final documents for review by the PAs prior to submitting to the Commission.

## Definitions

OP 32 (c) requires, among other things, "Definitions or clarifications of any jargon that PAs suggest specifying, in order to have a shared understanding of the issue or problems associated with substantively similar ratepayer-funded energy efficiency programs among different PAs." The PAs considered the various terms used throughout OP 32, and agreed to define a subset that were necessary, per OP 32's direction, for shared understanding of the issues discussed in OP 32. These terms are:

- Similar
- Program Overlap
- Substantively Similar
- Program Duplication

The PAs agreed that it was essential to define these four terms for the reasons discussed below. Table 7 below presents the final agreed-upon definitions.

### *Similar (Level 1)*

The PAs agreed that the term *Similar* should be defined for multiple reasons. While the term "similar" (without the preceding adverb "substantively") is not referenced in OP 32 sub-objectives (a) through (g), the PAs determined that the term *Substantively Similar* (which is referenced in the first sentence of OP 32 and elsewhere in the OP) cannot be defined without first clarifying the definition of something that is only similar without being substantively so. Further, OP 32 (f) references "similar ratepayer-funded programs." *Substantively Similar* suggests the possible existence of programs that are similar in nature, but not substantively so. The PAs agreed that understanding and defining this differentiation is a necessary precursor to defining the term *Substantively Similar*, and thus the PAs agreed that the term *Similar* should be defined.

### *Program Overlap (Level 2)*

The PAs agreed to define the term *Program Overlap* (sometimes referred to as "Overlap") as the term is a "bedrock" component of OP 32. The first sentence of OP 32 reads, in part, that an advice letter is necessary to discuss the "steps they [the PAs] have taken and will take to mitigate or minimize ratepayer risk of program overlap and duplication." This context makes clear that the Commission is seeking information particularly on two forms of similar programs—those that constitute program overlap, and those that constitute duplication. This understanding of OP 32 is affirmed in sub-objective (d) which states "Description of the risk to ratepayers of ratepayer-funded energy efficiency programs that 'overlap' or are otherwise 'duplicative.'" From this language it was clear to the PAs that while defining *Similar* and *Substantively Similar* programs are relevant for the objectives of OP 32, ultimately the Commission's concern lies in identifying and understanding overlapping and duplicative programs. Thus, the PAs agreed to define *Program Overlap*.

### *Substantively Similar (Level 3)*

The term *Substantively Similar* was necessary to define because it forms another "bedrock" of the issues the Commission is seeking to further understand as laid out in OP 32. Specifically, the first sentence of OP 32 states that the reason for the required advice letter is to "provide information on substantively similar programs." Further, the term "substantively similar," the adjective "substantive," or a reference to another sub-objective containing the term "substantively similar," is found in each of the six sub-objectives. Thus, the PAs agreed that this term should be defined.

### *Program Duplication (Level 4)*

Fourth and finally, the PAs agreed to define *Program Duplication* for similar reasons as discussed above for *Program Overlap*. The PAs determined that defining additional terms was not necessary "in order to have a shared understanding of the issue or problems associated with substantively similar ratepayer-funded energy efficiency programs among different PAs," as discussed in OP 32 (c).

After agreeing to which terms necessitated definitions, the PAs then turned to developing a programmatic overlap scale (also referred to as Duplication Spectrum). In order to understand risk and to go about quantifying the riskiest potentially overlapping programs (those that "overlap" or are otherwise "duplicative"… in some substantive way" per OP 32 (d)) the PAs established a hierarchy of terms. *Similar* would be the least risky term on the scale, meaning of the defined terms, programs determined to be *Similar* posed the least risk to ratepayers. The PAs determined that *Program Overlap* would follow *Similar*. Finally, following the language OP 32 (d), the PAs determined that *Substantively Similar* would be third on the Duplication Spectrum. That left *Duplication* as the fourth and most risky term, meaning a program identified in this category poses the highest risk to ratepayers if risk mitigation measures are not undertaken.

As discussed above, the PAs met multiple times throughout 2024 to develop, debate, refine, and finally agree to a set of definitions for the four terms. While multiple versions were iterated upon, below are the final definitions of the four terms to which the PAs ultimately agreed.

***Table 7. Final Definitions***

| Hierarchy Level | Term | Final Definition |
|---|---|---|
| **1** | ***Similar*** | Programs offered in the same sector, with the same delivery type and program segment, and in the same IOU service territory. |

| Hierarchy Level | Term | Final Definition |
|---|---|---|
| **2** | ***Program Overlap*** | For all segments; subset of similar programs with the same target audience and same IOU service territory. |
| **3** | ***Substantively Similar*** | For programs in the three segments below that meet the definition of *Program Overlap*, those programs are *Substantively Similar* if their characteristics (as listed below) are the same:<br>• Resource Acquisition: End use and measure(s) are the same.<br>• Market Support: Demand, Supply, Partnership, Innovation and Accessibility (sub-objectives from D.23-06-055)<br>• Equity: Addressing disparities in access, promoting resilience, health, safety, affordability and or energy savings, reducing GHG and pollutant emission, and providing workforce opportunities. (Objectives from D.23-06-055) |
| **4** | ***Program Duplication*** | Substantively similar programs that do not have meaningful differentiators. May be referred to as *Duplicative.* |

## Methodology

The Project Approach section of this report provided an overview of the process by which PAs provided data and what types of data were provided. This section discusses in more detail the methodology of the analysis, underlying assumptions, and the rationale for certain decisions. The methodological issues discussed in this section include:

- Program Duplication Spectrum Scoring
- Mitigation Options and Scoring
- Ratepayer Risk

Table 8 below summarizes the information that was requested from each PA and for what purpose(s) the collected information was used.

***Table 8. Data Collection Summary***

| Data Request | Instructions to PA | Data Collected |
|---|---|---|
| **Confirmation of at-risk determination** | Review the programs on the filtered Matrix and confirm if they meet the level 1 (Similar) and 2 (Program Overlap) criteria for potential duplication. If they do not, remove the "X" in the Duplication Spectrum columns where relevant | Confirm programs that meet level 1 and 2 on the Duplication Spectrum |
| **Identify any programs that are Substantively Similar or Duplicative** | Review the programs on the list and confirm if any matching programs meet the level 3 (Substantively Similar) and/or level 4 (Duplicative) overlap criteria. Mark these by adding "X" to the corresponding Duplication Spectrum columns | Identify which programs meet level 3 and or 4 of Duplication Spectrum |
| **Detailed explanation of duplication** | For those programs that have been identified as level 3 and/or 4 on the Duplication Spectrum, provide a description of the nature of the program overlap relative to the specific program with which it is overlapping | Provide a text description of the nature of the program overlap |
| **Identify which of the following risk mitigation methods, if any, are used** | Select from a prepopulated list of mitigation strategies. For strategies not on this list provide additional detail (see last row) | For each mitigation method uses can select:<br>- Yes<br>- No<br>- Other Similar<br>- N/A |
| **Calculated risk factor based on identified risk mitigations** | Based on the selected risk mitigation criteria a percentage score of risk mitigation effectiveness is calculated by assigning 1 or 0 to each mitigation method and then averaging (*e.g.*, use of 3 out of 4 | Percentage of 2027 program year (PY) program admin budget that that may be exposed due to duplication. Methodology |

| Data Request | Instructions to PA | Data Collected |
|---|---|---|
| | mitigation methods indicates 75% mitigation strategy effectiveness) | discussed in Ratepayer Risk section. |
| **2027 PY program admin budget** | 2027 PY program administration budgets were pre-populated to reflect potential ratepayer risk from *Substantively Similar* or *Duplicative* programs | 2027 PY program administration budget (pre-populated) |
| **Calculated dollar risk based on identified risk mitigations** | Calculated by multiplying the risk factor by the 2027 PY program administration budget | The annual budget that that may result in potential ratepayer risk |
| **Identify specific exceptions or additional information that may impact the risk mitigation methods** | Additional space provided explanation for unspecified mitigation methods | Additional information regarding overlap mitigation method |

### *Program Duplication Spectrum Scoring*

The PAs established a methodology and data capture process to provide the information necessary to comply with the following OP 32 sub-objectives:

- "A comprehensive list of any substantively similar ratepayer-funded energy efficiency programs among the PAs." – sub-objective (a)
- "Description of the risk to ratepayers of ratepayer-funded energy efficiency programs that "overlap" or are otherwise "duplicative"" – sub-objective (d)

In reviewing sub-objectives (a) and (d) as a whole, the PAs determined that a comprehensive list of substantively similar programs should be comprised of programs that meet the criteria of the defined terms *Substantively Similar* or *Duplicative*, and that programs that meet the criteria of those terms should be assigned a dollar value of potential ratepayer risk. Before making determinations as to which programs are potentially *Substantively Similar* or *Duplicative*, the PAs first needed a methodology in place to determined which programs met the criteria of defined terms *Similar* or *Program Overlap*, which represent reduced risk to ratepayers relative to *Substantively Similar* or *Duplicative* and are not assigned a dollar value of potential ratepayer risk.

As each of the four defined terms in the Duplication Spectrum are cumulative – meaning the *Similar* criteria are a subset of *Program Overlap* criteria, which are a subset of *Substantively Similar*, which finally is a subset of *Duplicative* – it was necessary as a starting point to identify which programs potentially met the Similar or Program Overlap criteria before then assessing if those programs in addition met the criteria of *Substantively Similar* or *Duplicative*.

As referenced in the Project Approach section, the Facilitator pre-filtered programs in the Program Overlap Matrix Tool V2 to only programs that qualified for the criteria included in the definitions of the terms *Similar* and *Program Overlap*.

The purpose of this pre-filtered program exercise was not to definitively determine which programs qualified as *Similar* or *Program Overlap*, but to provide a clear output under a standardized method under which PAs could then begin their review and analysis using their subject matter expertise. Further, as with all analyses, the results can only be as accurate as the underlying data, and thus any possible data inaccuracies or missing data could impact the results of the pre-filtered program exercise.

Below is a table that shows what CEDARS and the most recent Budget Filing data fields were referenced to flag programs as potentially *Similar* or *Program Overlap*. Where CEDARS data fields were not available or yielded unreliable results, alternative approaches are discussed. In order for a term to flagged through filtering process as *Similar* or *Program Overlap* it must meet all the criteria in a given definition.

***Table 9. CEDARS and Other Data Referenced***

| Term | Matching Criteria | CEDARS or Other Data Field |
|---|---|---|
| **Similar** | Sector | "Primary Sector" from CEDARS PY 2024 Budget Filing Data Set |
| | Delivery Channel | "Direct Install," "Deemed," and "Custom" flags from 2024-2025 Budget Filing Data Set |
| | Market Channel | "Upstream," "Midstream," and "Downstream" flags from 2024-2025 Budget Filing Data Set |
| | Program Segment | "Program Segment" from CEDARS PY 2024 Budget Filing Data Set |
| | IOU Service Territory | Based on IOU utility that serves each PA |
| **Program Overlap** | Target Audience | "Building Type" from a custom measure-level CEDARS report, 2024-2025 Budget Filing Data |
| | Location | Based on IOU utility that serves each PA |

CEDARS and data provided via Budget Filings were sufficient to generate initial *Similar* and *Program Overlap* results for the PAs. The one exception was Target Audience, which is an element of *Program Overlap*, as there is no CEDARS data field that readily aligns with Target Audience. The Facilitator determined that Building Type was the closest field in CEDARS that could be reasonably used for Target Audience. Other criteria that were explored but ultimately not used included Hard-to-Reach (HTR) designations, but this data was not available in a consistent form in the data pulls.

A challenge with using Building Type, however, was that if a program's Budget Filing Building Types included "All subsectors" or included the general building type for the sector (*e.g.*, Commercial or Residential), then that program would satisfy the Building Type *Program Overlap* criteria with all other programs that show any building type in that sector. In these situations, the data output for *Program Overlap* could not be relied upon as a clear indication that the two or more programs met the necessary criteria.

Three examples are shown below to illustrate the challenge of using Building Type as the data field for Target Audience:

1. If Program A is in the Commercial sector and listed "All subsectors" in the filing, while Program B is Commercial but shows "Office, Small," those programs would pass the Building Type overlap check, *i.e.*, they would be flagged as *Program Overlap*
2. If Program A showed "Office, Large", "Office, Small", and "Assembly", but Program B still only had "Office, Small", then that pair would still pass the Building Type overlap check, since only one Building Type needs to match
3. If Program A showed only "Assembly" but Program B showed "Office, Small", that pair would not pass the Building Type overlap check, i.e., they would not be flagged as *Program Overlap*

To rectify this data limitation, PAs were asked to review programs that were flagged for potential *Program Overlap* and to use their knowledge of the programs they deliver and subject matter expertise to assess which target audience(s) those programs targeted. This additional step was completed so PAs could review Target Audience for accuracy and to supplement the responses as appropriate. The Facilitator recommended several Target Audience categories to consider, but PAs were not limited to those categories. The recommended potential categories included: Equity, Commercial, Local government agencies, Mobile Homes, Rural, Schools, Single Family, Multifamily, Students, Community-based organizations, Hard-to-Reach, DAC, and Income Qualified.

PAs were provided with the results of this filtering exercise. PAs reviewed the initial results, and using their knowledge of the programs they administer as well as any additional subject matter expertise, PAs adjusted any *Similar* (shown as a 1 in the Duplication Spectrum table below) or *Program Overlap* (shown as a 2 in the Duplication Spectrum table below) flags that they felt were not accurate. This included both “downgrading” any programs to remove a *Similar* or *Program Overlap* flag, or to “upgrade” a program to add those flags. In addition, in some instances, the initial results produced by the filters incorrectly flagged a PAs’ program as *Similar* to a program also administered by the same PA due to the programs’ matching criteria (*e.g.*, within the same service territory). In instances where those programs were indeed not in fact *Similar* they were manually removed.

PAs also had to adjust for any regulatory requirements, including ensuring programs that are intended to serve hard-to-reach customers were not inadvertently flagged as overlapping with other programs.[11] An illustrative example of how initial results were displayed when provided to PAs, and before PA review for accuracy and completeness, is shown below.

***Table 10. Format of Initial Results Provided to PAs, with Illustrative Program Results***

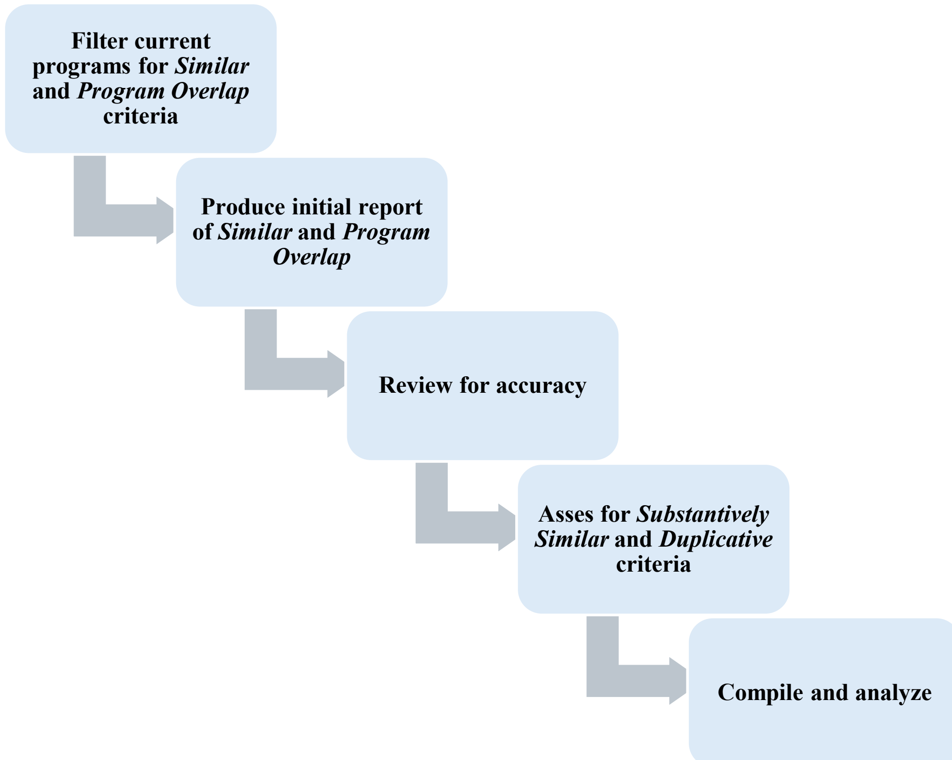
| Program ID | Program Name | Potentially Duplicate Program ID | Potentially Duplicate Program Name | Duplication Spectrum | | | |
|---|---|---|---|---|---|---|---|
| | | | | 1 (Similar) | 2 (Program Overlap) | 3 (Substantively Similar) | 4 (Duplicative) |
| XXX-XXX-XX | Name of Program 1 | YYY-YYY-YY | Name of Program 2 | x | | | |
| | | ZZZ-ZZZ-ZZ | Name of Program 3 | x | x | | |

After PAs received initial results and completing any adjustments to *Similar* and *Program Overlap* flags, each PA then reviewed the programs it administers that were flagged as *Similar* or *Program Overlap* and assessed if those programs also meet the criteria for the defined terms *Substantively Similar* and/or *Duplicative*. If so, the PA placed an “x” in the corresponding cell in the Matrix.

This step in the process was initially completed by each PA in isolation and was later compiled by the Facilitator. As a result, as further discussed in the Findings and Analysis section of this report, a PA may identify a program that is *Substantively Similar* or *Duplicative* to a second program administered by a different PA, however the second PA may not have scored the program they administer as *Substantively Similar* or *Duplicative* relative to the first program administered by the first PA. As discussed later this report, any differences in assessment are opportunities for those PAs to further discuss how to avoid any overlap going forward as programs are constantly being adjusted to respond to market and regulatory conditions, and to enhance joint and individual mitigation strategies.

[11] D.23-06-055 at 89.

***Figure 1. Program Screening Process Visualization***




As discussed above, the definitions are cumulative, and thus for a program to be *Substantively Similar* it must meet the criteria of *Program Overlap* and the criteria for *Substantively Similar*. In the same fashion, a *Duplicative* program must meet the criteria for *Substantively Similar* and the criteria for *Duplicative*. The criterion for a *Substantively Similar* program varies by segment and includes the following properties as shown in the table below.

***Table 11. Substantively Similar Definition Properties***

| Segment | Properties |
|---|---|
| **Resource Acquisition** | End use, Non-Deemed vs Deemed |
| **Market Support** | Demand, Supply, Partnership, Innovation and Accessibility |
| **Equity** | Addressing disparities in access, promoting resilience, health, safety, affordability and or energy savings, reducing GHG and pollutant emission, and providing workforce opportunities |

For two or more Resource Acquisition programs to meet the criteria of *Substantively Similar*, they must first meet the criteria of *Similar* and *Program Overlap*. Then, if two of the identified properties match (*e.g.*, the programs have the same end use and are both non-deemed, or are both deemed) then the programs may be considered as *Substantively Similar*.

The properties listed for Market Support and Equity programs were sourced from D.23-06-055. For two or more Market Support or Equity programs to meet the criteria of *Substantively Similar*, they too must first meet the criteria of *Similar* and *Program Overlap*. Then, if any of the properties listed match the PA's expert judgement, the programs could potentially be considered *Substantively Similar*. Because the terms and properties used to describe Market Support and Equity properties are more newly developed (via the 2023 Decision D.23-06-055), subject matter expertise was necessary to distinguish between property types to determine if programs met the criteria for *Substantively Similar*.

The criterion for *Duplicative* programs is broader and relies on PA subject matter expertise to determine if a program that is determined to be *Substantively Similar* has any meaningful differentiators that were not already identified in the various criteria under the *Similar*, *Program Overlap*, or *Substantively Similar* definitions. Specifically, a *Program Duplication* is defined as "Substantively Similar programs that do not have meaningful differentiators."

### *Mitigation Options and Scoring*

The PAs developed a methodology to provide the necessary data to comply with the following OP 32 sub-objectives:

- "Description of the actions, measures, etc. that PAs have taken thus far to identify and mitigate or minimize risks to ratepayers of substantively similar ratepayer-funded energy efficiency programs among different PAs" – sub-objective (e)
- Explain the effectiveness of each of these measures, actions, etc. in mitigating ratepayer risks – sub-objective (e)

As sub-objective (d) calls for assessment of "overlap" and "duplicative" programs, and the PAs defined *Substantively Similar* and *Duplicative* terms to serve as the highest potential risk indicators, S*ubstantively Similar* programs serve the purpose of what sub-objective (e) refers to as "overlap" and *Duplicative* programs serve the purpose of "duplicative" programs. As only programs falling under these categories require a description of the risk to ratepayers and an estimation of the dollar value of that risk, the PAs only assessed mitigation strategies for programs identified as *Substantively Similar* or *Duplicative*.

Each PA already provides discussion of how programs coordinate and cooperate to avoid overlap, and what mitigation measures are in place, through JCMs (IOUs do not have JCMs in place among each other). JCMs are by their nature primarily a qualitative exercise, and thus comparing mitigation strategies described in different JCMs can be challenging. In order to provide a uniform approach to documenting mitigation strategies, so as to provide the information required in sub-objective (e), the Facilitator presented the PAs with four types of mitigation strategies or actions.

The PAs were provided with directions to assess the mitigation strategies currently employed to materially reduce potential ratepayer risk.

1. Purpose: For each "Substantively Similar" or "Duplicative" program, the listed mitigation strategies, if employed, should materially reduce ratepayer risk.
2. Requested Action (only applicable for each "Substantively Similar" or "Duplicative" programs): Complete the drop-down option for each mitigation action #1-4 with the appropriate drop-down response, which include: Yes, No, Other Similar or N/A. If "Other Similar" is selected, please provide additional details on the mitigation action to be taken within the Notes column.

The four risk mitigation strategies or actions from which PAs could select were intentionally developed to be broad, such that they could encompass most or all potential strategies. It is possible that PAs employ strategies that are not included in this list. For this reason, PAs had the option to select not applicable (N/A) or Other Similar. If those options were selected, PAs were asked to provide additional detail.

The four types of mitigation strategies or actions presented to the PAs were:

1. Cross PA & Program Coordination: e.g., JCM, PA Sector Coordination, including sharing data between programs for marketing & implementation transparency.
2. Program engages in Community-Based Initiatives: e.g., Collaborate with local organizations to conduct community assessments and align program efforts with local needs, avoiding unnecessary overlap in service delivery.
3. Customer Education & Coordination and/or Joint Program Initiatives (JPI): e.g., Educate stakeholders & participants to help make informed decisions as to which programs to participate in; JPI - Coordinate training sessions, workshops, events, etc.
4. Programmatic Actions including Implementation Plan updates; have developed program protocols and decision trees; assessment of core program offerings relative to other similar programs; etc.

As mentioned above, the theory of risk mitigation is to materially reduce potential ratepayer risk. Sub-objective (e) requires a "Description of the actions, measures, etc. that PAs have taken thus far to identify and mitigate or minimize risks to ratepayers of substantively similar ratepayer-funded energy efficiency programs among different PAs". How the four mitigation strategies and actions were used for specific Substantively Similar or Duplicative programs are found in the Appendix. The methodology of how mitigations impact potential ratepayer risk is discussed in the below Ratepayer Risk section, and the outputs of how mitigation impacts the estimated dollar value of potential ratepayer risk is shown in the Findings and Analysis section. In addition, sub-objective (e) requires "Explain the effectiveness of each of these measures, actions, etc. in mitigating ratepayer risks"; this information is demonstrated through the risk mitigation calculation and shown in both the Findings and Analysis section, and in the Appendix.

### Ratepayer Risk

The purpose of risk mitigation in the context of OP 32 is to reduce or eliminate potential ratepayer risk from *Substantively Similar* or *Duplicative* programs. Thus, the use of mitigation, or lack thereof, was incorporated into the ratepayer risk calculation methodology discussed in this section. A methodology was developed to provide the necessary data to comply with the following OP 32 sub-objectives:

- What is the estimated dollar value of the risk? – sub-objective (d)
- Describe how the value was calculated or assessed. – sub-objective (d)

As explained above, *Substantively Similar* programs serve the purpose of what sub-objective (e) refers to as "overlap" and *Duplicative* programs serve the purpose of "duplicative" programs. A risk assessment calculation was included in the Matrix to calculate estimated dollar value of risk for *Substantively Similar* or *Duplicative* programs. A total mitigation effectiveness score per *Substantively Similar* or *Duplicative* program was calculated based on multiple factors. These factors are:

- PA's response to Mitigation Action #1
- PA's response to Mitigation Action #2
- PA's response to Mitigation Action #3
- PA's response to Mitigation Action #4
- Administrative budget
- The number of other PA programs that are identified as *Substantively Similar* or *Duplicative*

PAs were provided with four response options per Mitigation Action: Yes, No, N/A, and Other Similar. These responses were described in the above section. A selection of Yes, N/A or Other Similar. The scoring criteria logic allowed for a response of Yes, Other Similar, and N/A to count toward the Mitigation Effectiveness score. A response of No received no credit toward the Mitigation Effectiveness score. N/A counted toward a score so as not to be unfairly punitive to a program that does not use a Mitigation Action that is not appropriate for that program or the customers or communities it serves.

Each of the four Mitigation Actions were weighted equally at 25%. The PAs recognize that a 25% weighting is an estimate and may not accurately represent the impact of every mitigation strategy or action under every circumstance. Nonetheless an equal weighting is appropriate for *estimating* risk, as sub-objective (e) requires. Moreover, the PAs recognize that shifting market conditions and shifting program responses to those conditions may necessitate adjustments to mitigation strategies which could in turn impact the effectiveness of those mitigations. Given this, providing an equal weight is more appropriate than adopting a more precise percentage distribution which at best could quickly become outdated, or at worse provide a false and misleading sense of precision.

Following this approach, the Mitigation Effectiveness score reduces the estimated dollar risk to ratepayers by 25% for each Mitigation Action where a response of Yes, N/A, or Other Similar is selected. Thus, if a *Substantively Similar* or Duplicative program selects Yes, N/A, or Other Similar for two out of four Mitigation Actions, the potential estimated ratepayer risk in dollar terms is reduced by 50%. If Yes, N/A, or Other Similar is selected for all four Mitigation Actions then 100% of the potential estimated ratepayer risk in dollar terms is reduced. Thus, a program may meet the criteria of *Substantively Similar* or *Duplicative* yet pose zero risk ratepayers if 100% of risk is mitigated.

The Mitigation Effectiveness score was then multiplied by the 2027 program year administrative budget for each *Substantively Similar* or *Duplicative* program. The 2027 program administration budget was used to calculate the total potential annual ratepayer dollar risk for several reasons:

- Any newly launched programs should be launched and in full operation by 2027, thus reflecting a potentially larger administrative budget than previous years
- Budgets may change in the new Business Plan cycle beginning in 2028 and thus may not be an accurate number to use for assessing potential ratepayer risk
- Program administration costs are applicable to all program types (resource and non-resource) and segments (resource acquisition, market support, and equity)
- Other program costs that could potentially pose ratepayer risk are highly specific to each program and the market it serves and would rely on qualitative judgement.

The Facilitator and PAs considered which, if any, additional program cost elements may be appropriate for inclusion as the basis for determining the estimated value of potential ratepayer risk from *Substantively Similar* or Duplicative programs. Ultimately it was determined that using program administration costs are most likely to be a burden to ratepayers if two or more programs were to be duplicative and without the benefit risk reduction via mitigation strategies or actions. The PAs recognize that additional program cost elements could be included in specific program risk assessments based on the unique characteristics of the program and the program(s) to which it is being compared. However, as a baseline to apply across all programs in all PA portfolios, the PAs determined that program administration costs best represent the costs that potentially can be at risk to ratepayers due to unmitigated programs duplication.

Examples were considered to put this determination in context. For example, do Marketing costs for *Substantively Similar* or *Duplicative* programs pose potential ratepayer risk, or do they provide broad enhanced customer awareness of the product or service and thus increase the value of each programs' efforts? The answer depends on the unique circumstances of the programs in question and subjective expert judgement on what constitutes marketing value. Accordingly, a firm rule stating that Marketing costs (or other program cost elements) pose potential ratepayer risk would be inappropriate. The potential ratepayer risk associated with incentive budgets was not analyzed or included in the determination of estimated ratepayer risk.

The Facilitator and PA's analysis of the program elements to be included in potential ratepayer risk within the context of each set of *Substantively Similar* or *Duplicative* programs is an important baseline and could be used as the basis for additional evaluation study in the future.

As a final step, to avoid counting the same risk twice, estimated ratepayer dollars at risk were evenly distributed across programs in situations where multiple PA programs met the criteria of *Substantively Similar* or *Duplicative*. For example, in situations where a single program "A" under PA "1" is *Substantively Similar* or *Duplicative* to three programs "B," "C," and "D" under PA "2," the total potential annual ratepayer dollar risk was divided by three, such that the overlap of program "A" is reflected in one third each of programs "B," "C," and "D." In total, the potential ratepayer risk remains the same, but is not double counted.

## Findings and Analysis

OP 32 sub-objective (d) requires that the PAs provide "Description of the risk to ratepayers of ratepayer-funded energy efficiency programs that "overlap" or are otherwise "duplicative" (as defined in response to Item (c)." As discussed in the Methodology section the PAs defined *Substantively Similar* and *Duplicative* terms to serve as the highest potential risk indicators, and those two terms on the *Duplication Spectrum* serve the purpose of what sub-objectives (d) and (e) refer to as "overlap" and otherwise "duplicative" programs.

Sub-objective (d) requires that programs falling under the *Duplication Spectrum* of *Substantively Similar* or *Duplicative* require a description of the risk to ratepayers and an estimation of the dollar value of that risk. This section provides an analysis of the 27 programs that a PA identified as potentially *Substantively Similar* or *Duplicative* to one or more other programs.

As referenced in the Methodology section, through the review process a PA may identify a program that they understand to meet the criteria of *Substantively Similar* or *Duplicative* with another program administered by a different PA. It is important to emphasize, however, that the second PA may not have scored the program they administer as *Substantively Similar* or *Duplicative* relative to the first program administered by the first PA.

Thus, a program identified herein as *Substantively Similar* or *Duplicative* is only potentially so, and may be subject to further refinement and mutual understanding as the PAs continue to host dialogues through the JCM process and generally through PA ad hoc strategy check-ins.

Throughout the development of OP 32, discussion of mitigation strategies and actions was an important topic. As discussed in the Methodology section, programs which are identified as *Substantively Similar* or *Duplicative* programs may still pose little or no ratepayer risk if mitigation strategies are successfully used to address that risk.

This section shares key findings from the compilation and analysis of the PAs' overlap assessment.

### *Summary of Program Administrator Responses*

The overlap analysis began with assessing all current programs identified in CEDARS. Of those, the PAs identified 27 programs which met the criteria of *Substantively Similar* or *Duplicative* programs. The methodology, as explained above, is structured such that if a program is identified to be *Duplicative* it, by definition, is also *Substantively Similar*.

An important consideration is that SDG&E lacked an operational REN, which prevented the identification of programs for this analysis.

To avoid counting programs twice, *Duplicative Programs* are counted once (as opposed to being counted—once as being *Substantively Similar*, and then counted again for *Duplicative* for the exact same program).

***Table 12. Summary of Potentially Substantively Similar or Duplicative Programs***

| Identifying PA | Program ID | Program Name | Identified PA | Program ID | Program Name |
|---|---|---|---|---|---|
| **PGE** | PGE_Com_EM | Commercial Energy Mgmt. Placeholder | MCE | MCE02c | Commercial SEM |
| | PGE_Ind_001a | Industrial SEM - Food Processing | MCE | MCE10c | Industrial SEM |
| | PGE_Ind_001b | Industrial SEM - Manufacturing | MCE | MCE10c | Industrial SEM |
| | PGE_SW_IP_Gov[12] | State of CA Energy Strategy & Support | SCR | SCR-PUBL-B3 | Public Agency NMEC Program |
| | PGE_Com_SmallBiz | Micro Small Business Equity Program | MCE | MCE02e | MCE Small Business Energy Advantage |
| **MCE** | MCE10c | Industrial Strategic Energy Management | PGE | PGE_Ind_001a | Industrial SEM - Food Processing |
| | MCE10c | Industrial Strategic Energy Management | PGE | PGE_Ind_001b | Industrial SEM - Manufacturing |
| **BAYREN** | BAYREN02 | Multifamily | MCE | MCE01 | Multifamily Energy Savings |
| **IREN** | IREN-WET-002 | WE&T Workforce Development Program | SCR | SCR-WET-D3 | Green Path Careers |
| **SCE** | SCE-13-SW-001G | Residential Direct Install Program | SCR | SCR-RES-A5 | Small HTR Multifamily Direct Install |
| | SCE-13-SW-003D | Strategic Energy Management Program | SCE | SCE_3P_SEM_002 | Industrial and Agriculture Energy Manager Program |
| | SCE_3P_2020RCI_001 | Marketplace | SCE | SCE_SW_HVAC_Up_Res | SW HVAC Upstream Residential |
| | SCE_3P_2021AGPUB_002 | Public Energy Performance Program | SCR | SCR-PUBL-B3 | Public Agency NMEC Program |
| | SCE_SW_HVAC_Up_Com | SW HVAC Upstream Commercial | SCE | SCE_3P_SEM_001 | Commercial Energy Manager Program |
| | SCE_SW_WET_CC | WET Career Connections | IREN | IREN-WET-002 | WE&T Workforce Development |

[12] Although this table lists PG&E's PA-specific program ID for this statewide program for which it is the Lead PA, this program operates across all IOU territories (statewide program ID = SW_IP_Gov). Therefore, the overlap identified here with SoCalREN's Public Agency NMEC program is not necessarily with customers in PG&E's territory, but rather may represent potential overlap with state agency customers in SCE and SCG territories given the geographical overlap with SoCalREN's coverage area.

| Identifying PA | Program ID | Program Name | Identified PA | Program ID | Program Name |
|---|---|---|---|---|---|
| | SCE_SW_WET_Work | WE&T Career and Workforce Readiness | SCR | SCR-CBDC-01 | SoCalREN Community Based Design Collaborative |
| | | | SCR | SCR-WET-D3 | Green Path Careers |
| | | | SCR | SCR-WET-D4 | WE&T Opportunity HUB |
| | | | SCR | SCR-WET-D6 | E-Contractor Academy |
| | | | SCE | SCR-WET-D2 | ACES Pathway |
| | SCE_SW_WP | Water/wastewater Pumping | SCR | SCR-PUBL-B10 | Water Infrastructure Program |
| | SCE_3P_2021AGPUB_001 | ICF Agriculture Energy Efficiency Program | SCR | SCR-AGR-G3 | Agriculture Retrofit |
| | SCR-CST-F1 | Codes and Standards Compliance Enhancement Program | IREN | IREN-CS-001 | C&S Training and Education Program |
| | SCR-CST-F1 TCR-Res-002 | Codes and Standards Compliance Enhancement Program Multifamily | IREN | IREN-CS-002 | C&S Technical Support Program |
| **SCR** | | | SCG | SCG3705 | RES-Multifamily Whole Building Program (Equity) |
| | TCR-Res-002 | Multifamily | SCG | SCG3705 | RES-Multifamily Whole Building Program (Equity) |
| | | | SCG | SCG3861 | RES-Community Language Efficiency Outreach Program |
| **3C-REN** | | | SCG | SCG3935 | RES-Residential Advanced Clean Energy Program (Equity) |
| | | | SCG | SCG3936 | RES-Multifamily Energy Alliance Program (Equity) |

### *Overlap by PA*

Seven of the nine PAs identified at least one *Substantively Similar* or *Duplicative program*. The seven PAs identified 20 of their own programs that met the defined criteria, which in turn aligned with 27 programs from other PAs. In other words, PAs self-identified 20 of their own programs as potentially meeting the criteria for *Substantively Similar* or *Duplicative*, with some of those programs overlapping with more than one program from another PA.

Table 13 below shows the total count of programs self-identified as *Substantively Similar* or *Duplicative* by PA.

***Table 13. Count of Substantively Similar and Duplicative Programs By PA***

| **PA** | **Number of Programs Self-Identified by Administering PA as *Substantively Similar* or *Duplicative*** | **Number of Other PA Programs Identified as *Substantively Similar* or *Duplicative*** |
|---|---|---|
| BayREN | 1 | 0 |
| I-REN | 1 | 3 |
| MCE | 2 | 5 |
| PG&E | 5 | 2 |
| SDG&E | 0 | 0 |
| SCE | 9 | 3 |
| SoCalGas | 0 | 4 |
| SoCalREN | 1 | 9 |
| 3C-REN | 1 | 0 |
| **Total** | **20** | **26** |

## *Mitigation Strategies*

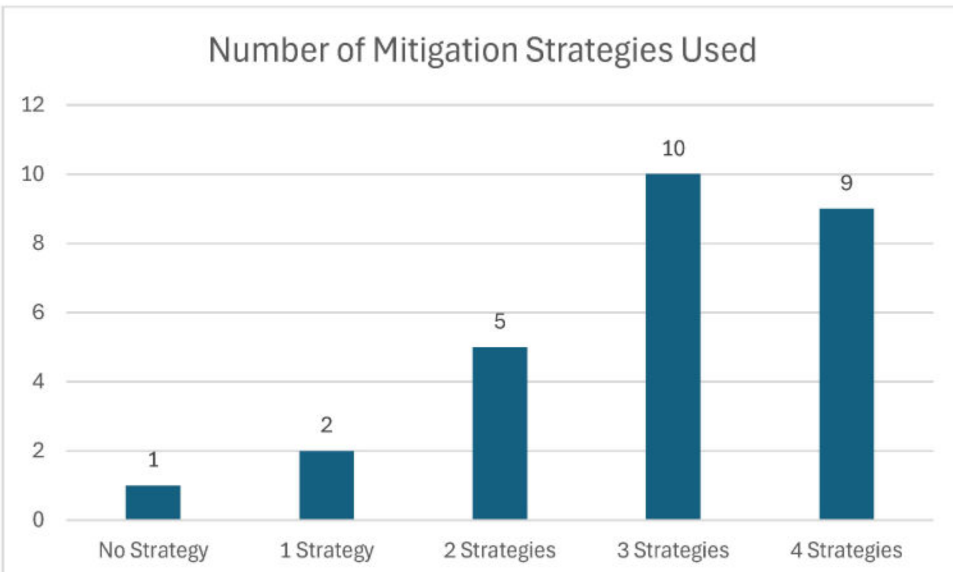
### *Summary of Mitigation Strategies Identified*

Identifying *Substantively Similar* and *Duplicative* programs is a necessary but not sufficient step in quantifying potential ratepayer risk. Identifying how the risks of those identified programs are mitigated and to what extent, when they do exist, is also an essential step when working to quantify the value of potential ratepayer risk. As described in the Methodology section, the PAs identified four Mitigation Actions that captured a broad spectrum of mitigation strategies that PAs can potentially use when there exists program overlap.

Many sub-strategies could likely be articulated under these four Mitigation Actions, and many are indeed discussed in the JCMs. However, for purposes of this analysis, the PAs recognized that to provide a uniform analysis of risk across all 599 energy efficiency programs in California[13] there must be built in flexibility or broaden definitions to encompass shifting market conditions and shifting program responses to those conditions. Such shifts may necessitate adjustments to mitigation strategies which could in turn impact the efficacy of those mitigations.

Of the 27 PA-identified programs which met the criteria of *Substantively Similar* or *Duplicative* programs, 24 used at least two of the four Mitigation Actions. One program identified as not using any of the Mitigation Actions, thus resulting in a calculation showing 100% of that programs' administrative budget posing ratepayer risk.

***Figure 2. Number of Mitigation Strategies Uses for Substantively Similar or Duplicative Programs***




The *Substantively Similar* program that did not identify as using any of the Mitigation Actions is the PG&E-led Statewide Institutional Partnership program for Governments, commercially named the "State of California Energy Strategy and Support Program",[14] which PG&E identified as *Substantively Similar* but not *Duplicative* with SoCalREN's Public Agency NMEC Program. PG&E explained that the "Same customer agencies are targeted by both SW [statewide] State of California Program and SoCalREN Public and Metered Savings Programs [NMEC program]. Implementers are aware of each other, and incentive structures differ however there is no current JCM between SoCalREN and PG&E." In follow on conversations, SoCalREN provided additional context that it works to mitigate overlap by having

[13] At the time of this analysis there were 599 PA programs found in the 2024-2025 budget filings that had a status of "New," "Active," or "Transitioning."
[14] SW_IP_Gov: Institutional Partnerships – Government.

coordination discussions with the PG&E-led Statewide Program to ensure that duplication of services is avoided. SoCalREN clarified that the Public Agency NMEC program does not conduct customer engagement activities, it has not enrolled State customers, and it would coordinate with PG&E and its implementer if a state customer project were to become involved with the Metered Savings Program.

With the identification of these 27 programs, PAs now have the opportunity to address mitigation strategies through more focused conversations in the JCM or other ongoing meetings. Or, in instances where those meetings have yet to commence, the PAs are now prepared with a clearer understanding of the risks and mitigation opportunities.

### *Ratepayer Risk*

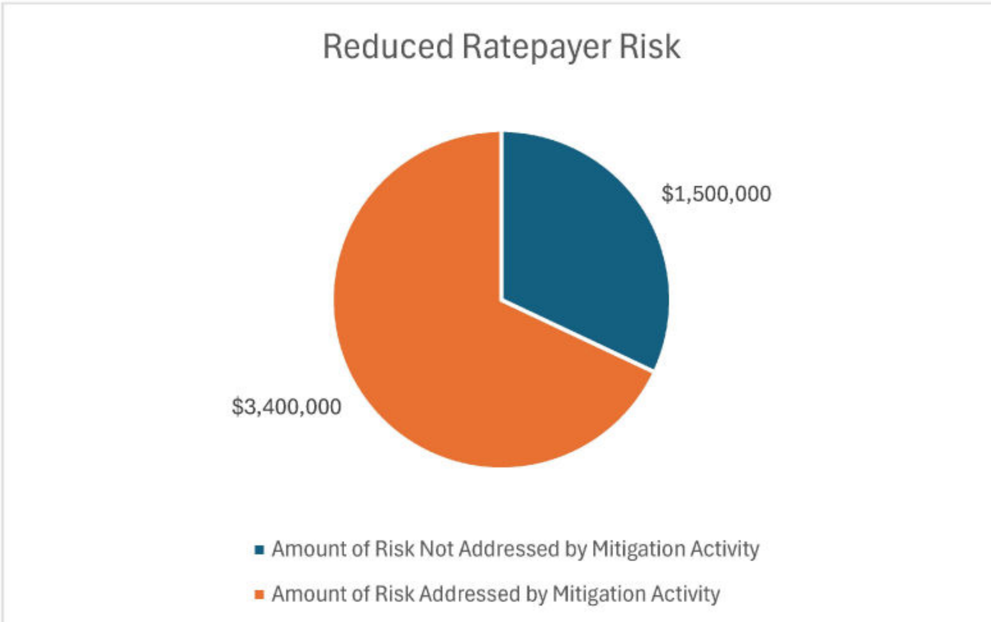
In the context of OP 32, potential ratepayer risk can be thought of as the expenditure of ratepayer funds without maximum value provided or created. The PAs actively work to minimize and eliminate ratepayer risk as they design and operate energy efficiency programs.

In total the PAs identified approximately $4,900,000 in potential annual ratepayer risk[15] *before* mitigation strategies and activities are considered. This dollar value represents the potential annual risk to ratepayers of PA energy efficiency programs not providing value *if PAs did not take steps to mitigate those risks*.

However, after taking into account the risk mitigation activities identified and employed by the PAs, this potential annual risk is reduced by 69% (*i.e.*, $3,400,000) to approximately $1,500,000 in potential annual risk. $1,5000,000 represents 0.15% percent of the annualized *total* authorized energy efficiency budget for the state for the PAs represented in this report.[16] With this program-specific information now quantified, PAs can work toward further collaborative efforts to reduce, and ideally fully eliminate, this risk. As noted in the *Methodology-Ratepayer Risk* section, this ratepayer risk calculation is limited to program administration budget, however additional ratepayer risk may be calculated for programs that are not substantially similar or duplicative, which were not included within the scope of this report.

[15] Using 2027 authorized budgets, as described in the Methodology section.
[16] The annualized budget for the PAs is $1,049,374,864, derived from the authorized 2024-2027 budget in D.23-06-055, excluding Rural REN.

***Figure 3. Reduced Ratepayer Risk***




The table below reflects the annual (2027) ratepayer dollars potentially at risk based on the methodology used in this report, accounting for the impacts of mitigation strategies and activities, linked to the PA who identified the potential overlap.

***Table 14. Annual Potential Ratepayer Risk***

| PA | Annual Ratepayer Dollars Potentially at Risk[17] |
|---|---|
| BayREN | $0 |
| I-REN | $0 |
| MCE | $15,000 |
| PG&E | $1,300,000 |
| SCE | $200,000 |
| SoCalREN | $0 |
| SDG&&E | $0 |
| SoCalGas | $0 |
| 3C-REN | $0 |

[17] Values are rounded. Non-rounded values are shown in the Appendix. SoCalGas and SDG&E did not identify any *Substantively Similar* or *Duplicative* programs.

| PA | Annual Ratepayer Dollars Potentially at Risk[17] |
|---|---|
| **Total** | **$1,500,000** |

### *Additional Analysis by Segment*

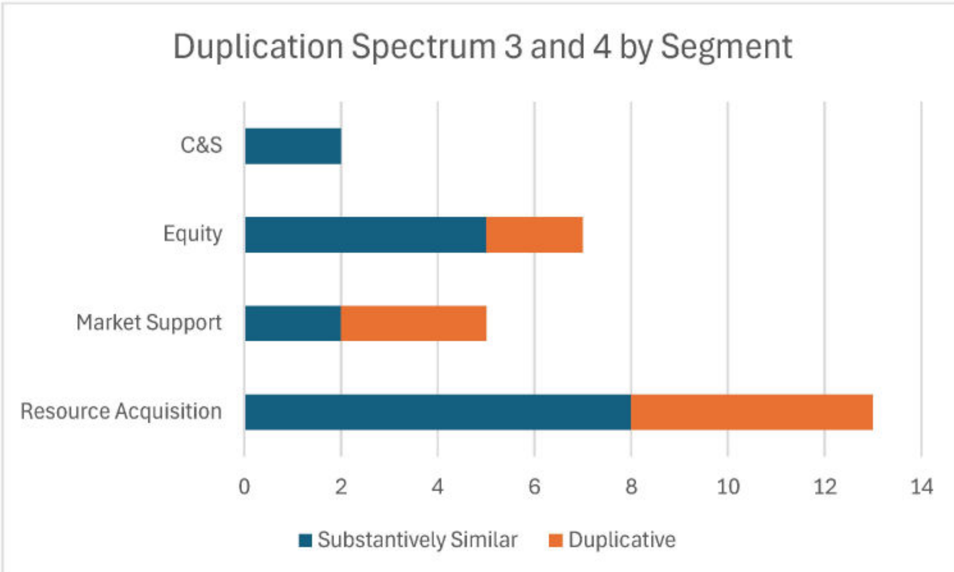
The discussion above provided analysis of potential ratepayer risk in aggregate, as well as by individual PA. The Appendix also provides additional program-specific details. This section discusses findings by segment.

Either *Substantively Similar* or *Duplicative* programs were identified in each segment—Codes & Standards (C&S), Equity, Market Support and Resource Acquisition. There were also programs that were not readily identified as any of these segments and thus were marked N/A for segment categorization.

The segment with the most *Substantively Similar* or *Duplicative* programs was Resource Acquisition. This finding may reflect that there are more resource acquisition programs in PAs' portfolios, because a primary goal of IOU programs is to deliver cost-effective savings to ratepayers, which results in more programs in this segment. In addition, Equity and Market Support segment programs were not authorized until 2021 via D.21-05-031, which may also cause a larger number of Resource Acquisition programs as compared to other segments. Further, given the PAs' longer history and experience operating Resource Acquisition programs, and consequently a more robust history of data and metrics, identifying potential similarities amongst Resource Acquisition programs may be a more straightforward exercise than doing so for Equity and Market Support programs. Counting *Substantively Similar* and *Duplicative* programs together, there are the same number of Equity and Market Support programs identified.

Figure 4 below shows the number of *Substantively Similar* and *Duplicative* programs by sector. As explained in the Program Duplication Spectrum Scoring section, a score of 3 in the Duplication Spectrum Scoring indicates *Substantively Similar*, and 4 indicates *Duplicative*. For example, the table shows 5 *Substantively Similar* Equity programs, and 2 *Duplicative* Equity programs, for a total of 7 programs in the Equity segment.

***Figure 4. Duplication Spectrum 3 and 4 by Segment***




### *Additional Analysis by Sector*

The PAs also considered the results of by sector. The sectors include Agricultural, C&S, Commercial, Finance, Industrial, Public, Residential, and Workforce Education & Training (WE&T). Some programs did not indicate a sector in CEDARS and thus are marked N/A. Of the 27 programs identified as *Substantively Similar* and *Duplicative*, the sectors with the most overlap in this regard were WE&T and Residential.

Four of the Residential sector programs identified as *Substantively Similar* were flagged by 3C-REN, which noted similarities with SoCalGas programs, but pose zero risk to rate as the programs meet all risk mitigation criteria. SoCalGas and 3C-REN have worked closely to develop fully operational verification protocols that allow program staff to determine customer eligibility and prevent double-dipping, *i.e.,* providing an incentive more than once for the same energy efficiency measure:

As explained in the Central Coast JCM:

> *For its residential programs, 3C-REN and the IOUs engage in regular communication through email and meetings. 3C-REN and the IOUs have also developed a Multifamily program protocol to verify customer eligibility to prevent "double dipping." This has required the data requestor (i.e., implementer) to complete an in-depth security review and data sharing agreements among implementers, 3C-REN, and IOUs to ensure customer data is protected.*
>
> *To ensure that customers are aware of others' programs, where that administrator does not have a similar offering, 3C-REN and the IOUs will continue to have regularly reoccurring meetings to develop and employ coordination practices to ensure that there are protocols for customer referrals should either party identify an opportunity for another's program. 3C-REN ensures the hand off the customer to the recommended party will occur while the customer is engaged by*

> *email/phone to ensure a seamless service experience for the customer between 3C-REN and the other's program. As new programs come online, the PAs will coordinate and share new information as it becomes available.*[18]

3C-REN also discusses all customer coordination efforts and programmatic actions through reoccurring multi-family sector-specific Portfolio Administrator Sector Coordination (PASC) meetings discussed in the Southern California JCM as they continue to collaborate and identify opportunities to work together as well as mitigate risk. 3C-REN explained that it and SoCalGas continue to follow these processes and adhere to information security standards. If additional coordination is ever necessary, 3C-REN and SoCalGas will follow the coordinating process already outlined in JCM.

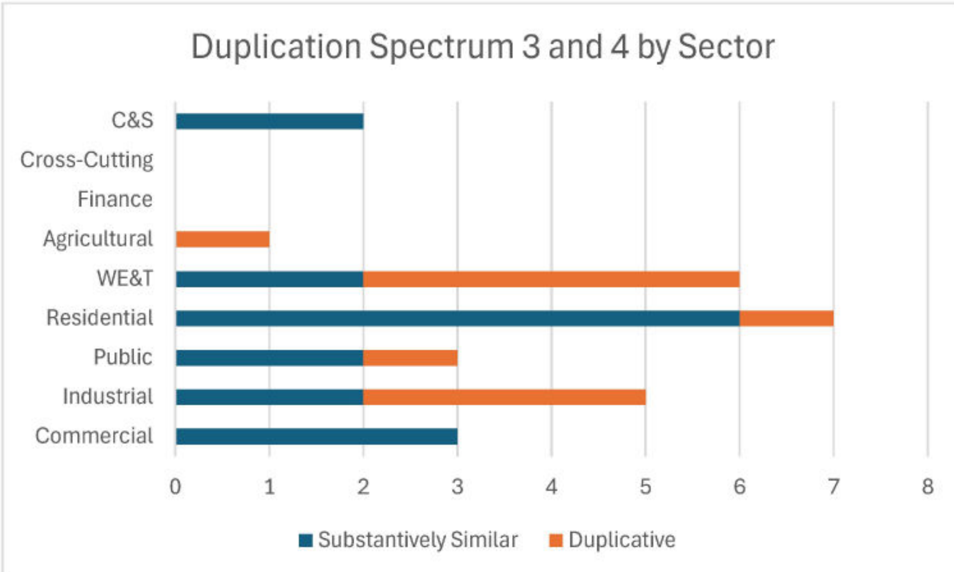
Six of the eight WE&T sector programs identified as *Substantively Similar* were flagged by SCE, which notes similarities with both I-REN and SoCalREN WE&T programs. SCE explained that all of the southern California PAs administer WE&T programs. Given this, the southern California WE&T program teams will likely benefit from the regular WE&T sector-specific PASC meetings.

More generally, all program sector leads will benefit from the regular meetings that will occur through the PASC or similar coordination processes, and PAs outside of southern California will likewise benefit from the conversations identified and enabled through their JCM processes. Figure 5 below shows the number of *Substantively Similar* and *Duplicative* programs by sector. For example, WE&T has one identified *Substantively Similar* program, and seven identified *Duplicative* programs.

---

[18] 2024-3C-REN-SoCalGas-SCE-and-PGE-Joint-Cooperation-Memorandum.pdf

***Figure 5. Duplication Spectrum 3 and 4 by Sector***



## Issues Resulting from Analysis and Unresolved Issues

OP 32 (b) requires a "A clear statement of the issues or problems that result from program offerings identified in item (a)." Details on why a PA determined that two or more programs were *Substantively Similar* or *Duplicative*, and how the resulting problems or issues are addressed can be found in the Appendix. PAs were asked to document a detailed explanation of the nature of the duplication for each program flagged as *Substantively Similar* or *Duplicative*. Further, and as discussed in detail elsewhere in this report, the mitigation strategies and action used to mitigate potential ratepayer risk were also provided, along with any additional details or notes necessary to explain the PAs approach.

Broadly, this exercise yielded initial results that are constructive for understanding the current state of how PAs view each of their programs as they relate to the Duplication Spectrum. Additional analyses may yield more refined results.

### *Issues Resulting from Analysis*

As shown in detail in the Appendix, the data analysis and PA review helped demonstrate the specific areas and potential ratepayer risks associated with duplicative programs. Generally, the potential risks of program duplication include inefficiencies in resource allocation, confusion among customers, and increased costs due to duplication of efforts. Duplicative programs may also struggle with clear delineation of responsibilities, leading to gaps in service delivery or redundant work. Additionally, program overlap can result in competition for the same funding sources and beneficiaries, which might undermine the effectiveness of the programs involved.

It's important to address these risks to ensure that programs are run efficiently and effectively, maximizing the benefits to stakeholders and minimizing waste of resources. Any differences in program assessment among the PAs are opportunities for further PA discussion on how to avoid and mitigate potential overlap going forward. Given the evolving market, programs are constantly being adjusted, and thus continued conversations and the development and deployment of new strategies will be necessary.

The PAs' discussion of mitigation strategies, as well as any follow up discussions that occurred between PAs after initial results were provided, likely will continue to yield opportunities to update approaches and to minimize any potential risk of overlap that can result in ratepayer risk. In addition, the JCMs will continue to be an important opportunity for ongoing PA conversations and serve as a resource of information for how PAs can and should coordinate on a program, sector, or other level to reduce duplication and mitigate risk.

### *Unresolved Issues*

OP 32 (e) requires that the work product "identify and describe what issues remain unresolved". This section describes areas where future refinement to the process, or future study, may assist in resolving ambiguities or providing additional helpful data.

As discussed in this report, the PAs held a series of sector-specific workshops to identify approaches to identifying overlapping programs. At the conclusion of the workshops, some unresolved challenges were highlighted as in need of further analysis or discussion. They included:

a) **Data Accuracy and Completeness in CEDARS:** Issues with the accuracy of data, including missing territories and program details, which could prevent the identification of similar programs.

b) **Statewide Program Identification:** Challenges in consolidating and accurately identifying statewide programs to avoid redundancy. There is a need for better consolidation and accurate identification of statewide programs. A future study could consider measure-level comparisons by year across statewide and potentially *Substantively Similar* or *Duplicative* local programs, along with other relevant customer-specific data, which could yield a possibly more precise analysis.

c) **Coordination Efforts:** The importance of coordination, formal agreements, and data sharing to prevent program duplication.

d) **JCM Coverage and Coordination:** Gaps in Joint Cooperation Memorandum coverage, and the need for continued comprehensive JCM coverage to mitigate duplication risks.

Regarding data accuracy and statewide program identification, the analysis had to work through how to address how to align the defined terms and their properties with the data available in CEDARS. One challenge that was encountered was determining how to best flag potentially Similar and Program Overlap for local and statewide programs when the IOU responsible for administering the statewide program did not geographically overlap with another PA. Initial screening did not flag some of these programs as potentially Similar for this reason, which required PAs to manually add such programs when appropriate. If this or a similar exercise is repeated, data limitations such as these must be considered to avoid manual review and ensure no programs are excluded upon initial screening. Future updates to existing JCMs could include all statewide programs, regardless of whether the lead-PA administering the statewide program shares overlapping territory with another PA.

Regarding coordination efforts, as the Facilitator and PAs reviewed the explanations provided by PAs for their rationale for flagging certain programs as potentially *Substantively Similar* or *Duplicative*, it became clear that PAs will continue to benefit from close coordination to better understand the nuances of other PAs' programs that align with some or all of the properties of the definitions on the Duplication Spectrum. Discrepancies in understanding of how PAs understand if and how programs administered by other PAs are similar (e.g., target audience) led to results that differed from one PA to another. These discrepancies could also potentially be caused by misunderstandings on elements of the definitions, or by different subject matter experts for different programs or segments providing input to the PA matrices. Discrepancies were most apparent when PAs parsed the target audiences of programs; these discrepancies may in part be due to the fact that there is no data field in CEDARS that precisely matches the term, which necessitated PA subject matter expertise to make the determination.

For example, SCE discusses in the context of its WE&T Career Connections (SCE_SW_WET_CC) that all five southern California PAs administer WE&T programs and deliver workforce development services in support of these priorities within their communities, and thus this program is duplicative with other WE&T programs. SCE does note that PAs have historically worked together to maximize WE&T resources. In follow up discussions some PAs noted their WE&T programs target different audiences, and thus are not *Substantively Similar* or *Duplicative*. Different target audiences can include youth only, developing online platforms, and targeting only disadvantaged workers.

There is an opportunity for additional coordination between other ratepayer-funded programs as well, and potentially for overlap risk as well. Some PAs' proposed multi-DER processes as ordered in D.23-06-055 OP 28[19] that have not yet been authorized by the Commission as of the date of this report, and therefore are out of scope for this exercise. However, following approval, there may be an opportunity for increased and continued coordination to address any potential overlap concerns and enhance offerings to customers and communities with layered incentives and services.

[19] 512907396.PDF (ca.gov)
*OP28: Portfolio administrators may propose processes for customers to implement multi-distributed energy resource projects and receive rebates or incentives for non-energy efficiency integrated demand-side management measures through their energy efficiency programs, by submitting Tier 3 advice letters no later than March 15, 2024. The advice letters shall include details of the use of non-energy efficiency funding, measurement approaches including any methods that will be used to ensure that impacts on consumption are not double-counted, and references to applicable rules and approved budgets from non energy efficiency resource areas that will govern the distribution of those fund*

## Next Steps

OP 32 sub-objective (f) requires "Description of how the PAs will effectively mitigate or minimize potential ratepayer risks associated with similar ratepayer-funded energy efficiency programs among different PAs through the joint cooperation memoranda or any other agreed-upon process or protocol." The PAs will continue to use the processes and strategies discussed in their respective JCMs to continuing ensuring effective mitigation of potential ratepayer risk associated energy efficiency programs, particularly those that potentially are *Substantively Similar* or *Duplicative*.

The southern California PAs—consisting of SoCalREN, SCE, SoCalGas, I-REN, and 3C-REN—for example, established a PASC meeting process in their most recent JCM submitted in May 2024. The PASC meetings represent a baseline for ongoing coordination that is constructive, collaborative, and effective in mitigating the effects of program overlap in the delivery of energy efficiency programs throughout the region. Moreover, regular check-ins will allow PAs to provide mutual support if program or customer issues arise. The PASC process includes a notification process for program entrances, significant changes, and closures, as well as high-level guidelines for streamlined customer hand-offs. The meetings are organized by sector, and their cadence varies by the needs of the relevant programs' managers.

***Table 15. Southern California Scheduled PASC Meetings***

| Sector | Portfolio Administrator Sector Coordination Meeting Frequency |
|---|---|
| **Agriculture** | Every Other Month |
| **Commercial** | Quarterly |
| **Cross-Cutting Codes and Standards** | Every Other Month |
| **Cross-Cutting Workforce Education and Training** | Every Other Month |
| **Public** | Every Other Month |
| **Residential** | Quarterly |
| **Cross-Cutting Finance** | Any discussions regarding SoCalREN's Finance offerings will be held during ongoing Public and Agriculture PASC meetings |

Meetings such as the PASC meetings demonstrate the PAs' continued commitment to mitigating potential ratepayer risk from possible program overlap. As mentioned in the Methodology section, any differences in approach or overlap assessment among the PAs are opportunities for further discussion on how to effectively avoid program overlap going forward. Programs are constantly being adjusted to respond to market and regulatory conditions, and to enhance joint and individual mitigation strategies. Thus, continued collaboration and coordination will be essential for successful program operations.

As the Commission stated "We maintain a preference for PAs to work collaboratively not only to minimize duplication in non-hard-to-reach customer populations but importantly to strive toward effective regional strategies and complementary program offerings; to be clear, PAs should communicate regularly in the course of administering their portfolios and preparing applications for future cycles."[20] The PAs will continue to leverage the learnings from this exercise, consider how to refine and improve opportunities to identify risk, and share best practices on risk mitigation strategies.

[20] D.23-06-055 at 89.

# Appendix A

Completed Program Matrix Tool V2 snapshot.

| PA Response | Program ID | Program Name | Program Segment | Program Sector | PA Identified | Program ID | Program Name | Program Segment | Program Sector | 3 (Substantively Similar) | 4 (Duplicative) | Detailed Explanation of Duplication |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PGE | PGE_Com_EM | Commercial Energy Management Placeholder | Resource Acquisition | Commercial | MCE | MCE02c | Commercial Strategic Energy Management | Resource Acquisition | Commercial | X | | |
| PGE | PGE_Ind_001a | Industrial Strategic Energy Management - Food Processing | Resource Acquisition | Industrial | MCE | MCE10c | Industrial Strategic Energy Management | Resource Acquisition | Industrial | X | | |
| PGE | PGE_Ind_001b | Industrial Strategic Energy Management - Manufacturing | Resource Acquisition | Industrial | MCE | MCE10c | Industrial Strategic Energy Management | Resource Acquisition | Industrial | X | | |
| PGE | PGE_SW_IP_Gov | State of California Energy Strategy and Support Program | Resource Acquisition | Public | SCR | SCR-PUBL-B3 | Public Agency NMEC Program | Resource Acquisition | Public | X | | See notes in Column Z |
| PGE | PGE_Com_SmallBiz | Micro Small Business Equity Program | Equity | Commercial | MCE | MCE02e | MCE Small Business Energy Advantage | Equity | Commercial | X | | See notes in Column Z |
| MCE | MCE10c | Industrial Strategic Energy Management | Resource Acquisition | Industrial | PGE | PGE_Ind_001a | Industrial Strategic Energy Management - Food Processing | Resource Acquisition | Industrial | x | x | Custom incentives are available to SEM customers to allow for capital projects. No stand alone program offering for Industrial custom. Similar customer segment. |
| MCE | MCE10c | Industrial Strategic Energy Management | Resource Acquisition | Industrial | PGE | PGE_Ind_001b | Industrial Strategic Energy Management - Manufacturing | Resource Acquisition | Industrial | x | x | Similar program delilvery and customer segment. MCE focuses on a broad range of SEM customers including commercial, Multi Family and industrial. |
| BAYREN | BAYREN02 | Multi Family | Equity | Residential | MCE | MCE01 | Multifamily Energy Savings | Equity | Residential | X | X | Programs have a JCM in place. MCE serves deed-restricted MF in their service territory while BayREN serves market rate. If MCE runs out of funds in a program year, BayREN then steps in to serve deed restricted until they have more funds. We share the same implementer (AEA) and coordinate outreach efforts |
| IREN | IREN-WET-002 | WE&T Workforce Development Program | Market Support | WE&T | SCR | SCR-WET-D3 | Green Path Careers | Market Support | WE&T | x | | Level 3: Overlapping Program Category, BP Sector and Program Segment. These programs have different objectives. IREN-WET-002 offers region-specific career readiness for young professionals in the Inland Empire, wheras SCR-WET-D3 focuses on career development for SCR's service territory. Furthermore, the SoCal PAs have established PASC meetings to avoid duplication, as per the SoCal JCM. |
| SCE | SCE-13-SW-001G | Residential Direct Install Program | Resource Acquisition | Residential | SCR | SCR-RES-A5 | Small HTR Multifamily Direct Install | Resource Acquisition | Residential | x | | Both programs offer HVAC and HVAC control end uses, however the SCR program offers additional measures such as lighting, appliances, lighting controls, etc. Additionally, the SCR program has a more targeted audience of Small Apartment Buildings: Multifamily apartment buildings with less than 50 units, with owner/residents considered Hard-to-Reach or located in a Disadvantaged Community. Condominium Properties: Complexes with an HOA and/or property management company. |
| SCE | SCE-13-SW-003D | Strategic Energy Management Program | Resource Acquisition | Industrial | SCE | SCE_3P_SEM_002 | Industrial and Agriculture Energy Manager Program (Ind) | Resource Acquisition | Industrial | x | x | SCE's new third party implemented SEM program will cover the agricultural sector as well as the industrial sector which SCE's legacy program will also continue serving. |
| SCE | SCE_3P_2020RCI_001 | Marketplace | Resource Acquisition | Residential | SCE | SCE_SW_HVAC_Up_Res | SW HVAC Upstream Residential | Resource Acquisition | Residential | x | | Programs have the same sector, segment and enduse, however Marketplace is an online marketplace with a focus on eco financing. |
| SCE | SCE_3P_2021AGPUB_002 | Public Energy Performance Program | Resource Acquisition | Public | SCR | SCR-PUBL-B3 | Public Agency NMEC Program | Resource Acquisition | Public | x | x | Public Energy Performance program is primarily an SEM program. SEM is a type of NMEC program. |
| SCE | SCE_SW_HVAC_Up_Com | SW HVAC Upstream Commercial | Resource Acquisition | Commercial | SCE | SCE_3P_SEM_001 | Commercial Energy Manager Program | Resource Acquisition | Commercial | x | | Both are resource acquisition programs with overlapping enduses. |
| SCE | SCE_SW_WET_CC | WET Career Connections | Market Support | WE&T | IREN | IREN-WET-001 | WE&T Training and Education Program | Market Support | WE&T | x | | All five SoCal PAs administer Workforce Education & Training (WE&T) programs and deliver workforce development services in support of these priorities within their communities. PAs have historically worked together to maximize WE&T resources. |
| SCE | SCE_SW_WET_CC | WET Career Connections | Market Support | WE&T | IREN | IREN-WET-002 | WE&T Workforce Development Program | Market Support | WE&T | x | | All five SoCal PAs administer Workforce Education & Training (WE&T) programs and deliver workforce development services in support of these priorities within their communities. PAs have historically worked together to maximize WE&T resources. |
| | | | | | SCR | SCR-WET-D4 | WE&T Opportunity HUB | Market Support | WE&T | x | x | All five SoCal PAs administer Workforce Education & Training (WE&T) programs and deliver workforce development services in support of these priorities within their communities. PAs have historically worked together to maximize WE&T resources. |
| | | | | | SCR | SCR-WET-D6 | E-Contractor Academy | Market Support | WE&T | x | x | All five SoCal PAs administer Workforce Education & Training (WE&T) programs and deliver workforce development services in support of these priorities within their communities. PAs have historically worked together to maximize WE&T resources. |
| SCE | SCE_SW_WET_Work | WE&T Career and Workforce Readiness | Equity | WE&T | SCE | SCR-WET-D2 | ACES Pathway | Equity | WE&T | x | x | All five SoCal PAs administer Workforce Education & Training (WE&T) programs and deliver workforce development services in support of these priorities within their communities. PAs have historically worked together to maximize WE&T resources. |
| SCE | SCE_SW_WP | Water/wastewater Pumping | Resource Acquisition | Public | SCR | SCR-PUBL-B10 | Water Infrastructure Program | Resource Acquisition | Public | x | | Statewide Water/Wastewater Pumping and SCR's Water Infrastructure Program may potentially target the same customers. |
| SCE | SCE_3P_2021AGPUB_001 | ICF Agriculture Energy Efficiency Program | Resource Acquisition | Agriculture | SCR | SCR-AGR-G3 | Agriculture Retrofit | Resource Acquisition | Agricultural | x | x | Programs serve the same sector and segment with the same delivery channel and target audiences. Programs also offers similar deemed and custom measures with little meaningful differentiators. |
| SCR | SCR-CST-F1 | Codes and Standards Compliance Enhancement Program | C&S | C&S | IREN | IREN-CS-001 | C&S Training and Education Program | C&S | C&S | x | | The two programs offer similar C&S work, however they work with different agencies and buildings for their work including codes and standards compliance and enforcement. |
| | | | | | IREN | IREN-CS-002 | C&S Technical Support Program | C&S | C&S | x | | The two programs offer similar C&S work, however they work with different agencies and buildings for their work including codes and standards compliance and enforcement. |
| TCR | TCR-Res-002 | Multifamily | | Residential | SCG | SCG3705 | RES-Multifamily Whole Building Program (Equity) | Equity | Residential | x | | SCG and 3C-REN have worked closely to develop fully operational verification protocols that allow program staff to determine customer eligibility and prevent double-dipping. SCG and 3C-REN continue to follow these processes and also adhere to information security standards, particularly important when dealing with customers' private household and financial information. The transfer of confidential customer data will comply with the data sharing guidelines set out by the Commission in D.23-02-002. If additional coordination is needed, 3C-REN will follow coordinating process already outlined in JCM. |
| | | | Equity | | SCG | SCG3861 | RES-Community Language Efficiency Outreach Program | Equity | Residential | x | | SCG and 3C-REN have worked closely to develop fully operational verification protocols that allow program staff to determine customer eligibility and prevent double-dipping. SCG and 3C-REN continue to follow these processes and also adhere to information security standards, particularly important when dealing with customers' private household and financial information. The transfer of confidential customer data will comply with the data sharing guidelines set out by the Commission in D.23-02-002. If additional coordination is needed, 3C-REN will follow coordinating process already outlined in JCM. |
| | | | | | SCG | SCG3935 | RES-Residential Advanced Clean Energy Program (Equity) | Equity | Residential | x | | SCG and 3C-REN have worked closely to develop fully operational verification protocols that allow program staff to determine customer eligibility and prevent double-dipping. SCG and 3C-REN continue to follow these processes and also adhere to information security standards, particularly important when dealing with customers' private household and financial information. The transfer of confidential customer data will comply with the data sharing guidelines set out by the Commission in D.23-02-002. If additional coordination is needed, 3C-REN will follow coordinating process already outlined in JCM. |
| | | | | | SCG | SCG3936 | RES-Multifamily | Equity | Residential | x | | SCG and 3C-REN have worked closely to develop fully operational |