

Proceeding: A.26-03-009 et al.
Exhibit No.: MCE – 01
Date: September 30, 2026
Witness(es): Alice Havenar-Daughton
Jennifer Green
Alex Valenti

MARIN CLEAN ENERGY

EXHIBIT 1

**TESTIMONY OF MARIN CLEAN ENERGY REGARDING
ITS 2028-2031 ENERGY EFFICIENCY PORTFOLIO PLAN AND
2032-2035 ENERGY EFFICIENCY BUSINESS PLAN**

engaged over 30 stakeholder organizations for direct feedback. Feedback was welcomed through roundtable discussions, individual conversations, existing meetings, over email, and via a written survey. MCE received robust, detailed, and valuable feedback from stakeholders that directly informed MCE’s Application. MCE’s specific actions and responses to stakeholder engagement are discussed in detail in **Chapter 8: Stakeholder Engagement**. In **Chapter 8: Stakeholder Engagement**, MCE also discusses its ongoing multilingual and culturally competent outreach activities to customers and stakeholders that help ensure easy access to EE program participation.⁶

2. Regulatory and Legislative Content

A robust regulatory and legislative environment informs MCE’s eight-year EE Business Plan, and four-year Portfolio Plan. Regulatory requirements—as established by Commission decisions—in particular shape MCE’s budget, its technical inputs, its goals (TSB and energy savings) and its strategies in this Application. Here, MCE outlines a summary of the relevant EE regulatory history, CPUC compliance requirements, and legislative drivers for its Application.

MCE has administered EE funds under California Public Utilities Code (“Code”) Section 381.1(a)-(d) since 2013. Pursuant to Article 2 of the Commission’s Rules of Practice and Procedure, Code Section 381.1, and Decision (“D.”) 21-05-031, MCE filed its 2024 EE Application on March 4, 2022.⁷ On July 3, 2023, the Commission issued D.23-06-055 approving MCE’s 2024 Application and MCE’s proposed EE portfolio for PYs 2024-2027. In D.23-06-055, the Commission approved a four-year budget cap of \$78,217,316 for MCE, and specifically approved all of MCE’s proposed programs except for its Peak_FLEXmarket program.

On September 5, 2025, the Commission issued D.25-08-034 Adopting Energy Efficiency

⁶ MCE provides a streamlined online public resource for customers to find and explore programs and rebates they may qualify for: <https://mcecleanenergy.org/explore-programs-and-offers/> (program and rebate locator).

⁷ A.22-03-012, *Application of Marin Clean Energy for Approval of 2024-2031 Energy Efficiency Business Plan and 2024-2027 Energy Efficiency Portfolio Plan* (March 4, 2022) (“MCE 2024 Application”).

Table 2-4: 4-year Portfolio Forecast Summary (2028-2031)

4-year Portfolio Budget Forecast Summary (2028-2031) (\$000)						
-	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-Year)	Total (4 Years)
Total System Benefit (TSB)	\$16,737	\$17,452	\$18,224	\$19,012	\$58,392	\$71,426
Total Resource Cost (TRC) Ratio	0.98	0.97	1.00	1.03	1.23	1.00
Program Administrator Cost (PAC) Ratio	1.07	1.06	1.10	1.13	1.43	1.09
Societal Cost Test (SCT) Base	1.30	1.29	1.33	1.37	1.59	1.35
Societal Cost Test (SCT) High	1.30	1.29	1.33	1.37	1.60	1.35
Ratepayer Impact Measure Test Ratio (RIM)	0.58	0.58	0.59	0.59	0.71	0.58
Lifecycle GWh⁵¹	27	27	27	27	192	109
First Year MW	1,467	1,467	1,467	1,467	5,553	5,868
Lifecycle MM Therms	7	7	7	7	16	26.3
Lifecycle CO2 Metric Tons	4,739	4,044	3,952	3,931	14,577	16,666
4-year Portfolio Budget Forecast Summary (2028-2031) (\$000)						
-	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-Year)	Total (4 Years)

⁵¹ Resource Acquisition segment GWh savings exceed Total (4 Years) GWh savings due to the high volume of electrification measures forecasted within the Equity segment.

<u>Total System Benefit (TSB)</u>	<u>\$15,739</u>	<u>\$16,407</u>	<u>\$17,096</u>	<u>\$17,783</u>	<u>\$59,547</u>	<u>\$67,024</u>
<u>Total Resource Cost (TRC) Ratio</u>	<u>0.92</u>	<u>0.92</u>	<u>0.95</u>	<u>0.98</u>	<u>1.25</u>	<u>0.96</u>
<u>Program Administrator Cost (PAC) Ratio</u>	<u>1.02</u>	<u>1.01</u>	<u>1.04</u>	<u>1.07</u>	<u>1.45</u>	<u>1.05</u>
<u>Societal Cost Test (SCT) Base</u>	<u>1.22</u>	<u>1.21</u>	<u>1.25</u>	<u>1.29</u>	<u>1.61</u>	<u>1.27</u>
<u>Societal Cost Test (SCT) High</u>	<u>1.23</u>	<u>1.21</u>	<u>1.25</u>	<u>1.29</u>	<u>1.61</u>	<u>1.27</u>
<u>Ratepayer Impact Measure Test Ratio (RIM)</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.51</u>	<u>0.48</u>	<u>0.49</u>
<u>Lifecycle GWh⁵²</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>192</u>	<u>168</u>
<u>First Year MW</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>
<u>Lifecycle MMTherms</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>16</u>	<u>21</u>
<u>Lifecycle CO2 Metric Tons</u>	<u>4,683</u>	<u>3,955</u>	<u>3,854</u>	<u>3,830</u>	<u>15,130</u>	<u>16,322</u>

⁵² Resource Acquisition segment GWh savings exceed Total (4 Years) GWh savings due to the high volume of electrification measures forecasted within the Equity segment.

1 Table 2-6: 4-year and 8-year IOUs Total System Benefit Forecast (w/out C&S) vs. Goals

4-Year and 8-Year Total System Benefit Forecast vs. Goals (\$000)			
Year	Total System Benefit Forecast	Total System Benefit Goals	Percent of TSB Goal
2028	\$16,737	\$16,737	100%
2029	\$17,452	\$17,452	100%
2030	\$18,224	\$18,224	100%
2031	\$19,012	\$19,012	100%
Total (4 years)	\$71,426	\$71,426	100%
2032	\$19,818	\$19,818	100%
2033	\$20,642	\$20,642	100%
2034	\$21,542	\$21,542	100%
2035	\$22,413	\$22,413	100%
Total (4 years)	\$84,416	\$84,416	100%
Cumulative (8 years)	\$155,842	\$155,842	100%
<u>4-Year and 8-Year Total System Benefit Forecast vs. Goals (\$000)</u>			
<u>Year</u>	<u>Total System Benefit Forecast</u>	<u>Total System Benefit Goals</u>	<u>Percent of TSB Goal</u>
<u>2028</u>	<u>\$15,739</u>	<u>\$15,739</u>	<u>100%</u>
<u>2029</u>	<u>\$16,407</u>	<u>\$16,407</u>	<u>100%</u>
<u>2030</u>	<u>\$17,096</u>	<u>\$17,096</u>	<u>100%</u>
<u>2031</u>	<u>\$17,783</u>	<u>\$17,783</u>	<u>100%</u>
<u>Total (4 years)</u>	<u>\$67,024</u>	<u>\$67,024</u>	<u>100%</u>
<u>2032</u>	<u>\$18,474</u>	<u>\$18,474</u>	<u>100%</u>
<u>2033</u>	<u>\$19,170</u>	<u>\$19,170</u>	<u>100%</u>
<u>2034</u>	<u>\$19,937</u>	<u>\$19,937</u>	<u>100%</u>
<u>2035</u>	<u>\$20,710</u>	<u>\$20,710</u>	<u>100%</u>

<u>Total (4 years)</u>	<u>\$78,290</u>	<u>\$78,290</u>	<u>100%</u>
<u>Cumulative (8 years)</u>	<u>\$145,314</u>	<u>\$145,314</u>	<u>100%</u>

Table 6-7: 4-year Portfolio Forecast Summary (2028-2031)

4-year Portfolio Budget Forecast Summary (2028-2031) (\$000)						
-	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-Year)	Total (4 Years)
Total System Benefit (TSB)	\$16,737	\$17,452	\$18,224	\$19,012	\$58,392	\$71,426
Total Resource Cost (TRC) Ratio	0.98	0.97	1.00	1.03	1.23	1.00
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Lifeycle CO2 Metric Tons	4,739	4,044	3,952	3,931	14,577	16,666
4-year Portfolio Budget Forecast Summary (2028-2031) (\$000)						
-	2028	2029	2030	2031	Resource Acquisition Segment Only	Total (4 Years)

¹³⁹ Resource Acquisition segment GWh savings exceed Total (4 Years) GWh savings due to the high volume of electrification measures forecasted within the Equity segment.

					<u>(Total 4- Year)</u>	
<u>Total System Benefit (TSB)</u>	<u>\$15,739</u>	<u>\$16,407</u>	<u>\$17,096</u>	<u>\$17,783</u>	<u>\$59,547</u>	<u>\$67,024</u>
<u>Total Resource Cost (TRC) Ratio</u>	<u>0.92</u>	<u>0.92</u>	<u>0.95</u>	<u>0.98</u>	<u>1.25</u>	<u>0.96</u>
<u>Program Administrator Cost (PAC) Ratio</u>	<u>1.02</u>	<u>1.01</u>	<u>1.04</u>	<u>1.07</u>	<u>1.45</u>	<u>1.05</u>
<u>Societal Cost Test (SCT) Base</u>	<u>1.22</u>	<u>1.21</u>	<u>1.25</u>	<u>1.29</u>	<u>1.61</u>	<u>1.27</u>
<u>Societal Cost Test (SCT) High</u>	<u>1.23</u>	<u>1.21</u>	<u>1.25</u>	<u>1.29</u>	<u>1.61</u>	<u>1.27</u>
<u>Ratepayer Impact Measure Test Ratio (RIM)</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.51</u>	<u>0.48</u>	<u>0.49</u>
<u>Lifecycle GWh¹⁴⁰</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>192</u>	<u>168</u>
<u>First Year MW</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>
<u>Lifecycle MMTherms</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>16</u>	<u>21</u>
<u>Lifecycle CO2 Metric Tons</u>	<u>4,683</u>	<u>3,955</u>	<u>3,854</u>	<u>3,830</u>	<u>15,130</u>	<u>16,322</u>

¹⁴⁰ Resource Acquisition segment GWh savings exceed Total (4 Years) GWh savings due to the high volume of electrification measures forecasted within the Equity segment.

1 **Table 6-9: 4-year and 8-year IOUs Total System Benefit Forecast (w/out C&S) vs. Goals**

<i>4-Year and 8-Year Total System Benefit Forecast vs. Goals (\$000)</i>			
Year	Total System Benefit Forecast	Total System Benefit Goals–	Percent of TSB Goal
2028	-\$16,737	-\$16,737	100%
2029	-\$17,452	-\$17,452	100%
2030	-\$18,224	-\$18,224	100%
2031	-\$19,012	-\$19,012	100%
Total (4 years)	-\$71,426	-\$71,426	100%
2032	-\$19,818	-\$19,818	100%
2033	-\$20,642	-\$20,642	100%
2034	\$21,542	-\$21,542	100%
2035	-\$22,413	-\$22,413	100%
Total (4 years)	-\$84,416	-\$84,416	100%
Cumulative (8 years)	-\$155,842	-\$155,842	100%
<u>4-Year and 8-Year Total System Benefit Forecast vs. Goals (\$000)</u>			
<u>Year</u>	<u>Total System Benefit Forecast</u>	<u>Total System Benefit Goals</u>	<u>Percent of TSB Goal</u>
<u>2028</u>	<u>\$15,739</u>	<u>\$15,739</u>	<u>100%</u>
<u>2029</u>	<u>\$16,407</u>	<u>\$16,407</u>	<u>100%</u>
<u>2030</u>	<u>\$17,096</u>	<u>\$17,096</u>	<u>100%</u>
<u>2031</u>	<u>\$17,783</u>	<u>\$17,783</u>	<u>100%</u>
<u>Total (4 years)</u>	<u>\$67,024</u>	<u>\$67,024</u>	<u>100%</u>
<u>2032</u>	<u>\$18,474</u>	<u>\$18,474</u>	<u>100%</u>

<u>2033</u>	<u>\$19,170</u>	<u>\$19,170</u>	<u>100%</u>
<u>2034</u>	<u>\$19,937</u>	<u>\$19,937</u>	<u>100%</u>
<u>2035</u>	<u>\$20,710</u>	<u>\$20,710</u>	<u>100%</u>
<u>Total (4 years)</u>	<u>\$78,290</u>	<u>\$78,290</u>	<u>100%</u>
<u>Cumulative (8 years)</u>	<u>\$145,314</u>	<u>\$145,314</u>	<u>100%</u>

MCE determined the distribution of budgets for each sector using a bottom-up budgeting process based on each program's projected energy savings (for Resource Acquisition programs), or the program's planned activities (for Market Support and Equity programs). To develop its sector budgets, MCE first determined the potential in each sector for the programs discussed in this Business Plan, based on past experiences, feedback from implementation partners, industry stakeholders, and an assessment of its service area. This potential informs MCE's estimate of the TSB that it expects each sector to achieve, which in turn determines the incentive and implementation payments for many of MCE's programs. For these types of programs, MCE uses the potential energy savings or TSB to calculate the performance-based implementation budget and the incentive. MCE then adds in the costs that are not tied to performance, such as the programs' proportional share of administrative budget associated with policy support or data tracking and reporting. For programs that are not compensated based on TSB, MCE conducted a zero-based budgeting exercise to account for all the costs associated with program implementation activities. MCE also attributed its administrative labor costs to each program based on that program's proportional share of administrative support. Finally, MCE tallied up program costs for each sector.

Table 6-10 below shows the budget and the percentage of MCE's total portfolio budget attributable to each sector of the eight-year Business Plan period. The percentages budgeted for each sector remain fixed across the four- and eight-year planning periods because MCE does not