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Joint Public Agencies Comments on the 2025 California Building Energy Action Plan

Additional submitted attachment is included below.

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California Energy Commission
Docket Unit, MS-4
Docket No. 23-DECARB-03
715 P Street Sacramento, CA 95814

RE: 2025 California Building Energy Action Plan Draft Commission Report

The Southern California Public Power Authority,[1] Northern California Power Agency,[2] and California Municipal Utilities Association[3] (Collectively, the "Joint Public Agencies") appreciate the opportunity to provide comments on the California Energy Commission's (CEC) staff January 29, 2026, workshop and California Building Energy Action Plan draft report. The Joint POUs have been and continue to be strong proponents of energy efficiency and building electrification, agreeing with the CEC that these remain foundational to affordability and grid reliability for ratepayers. We believe that energy efficiency and beneficial electrification are essential services for our customers, a valuable resource to our utilities, and key components of the state's clean energy future.

Financing

Financing is an important tool to help customers access decarbonization measures, especially for low- and middle-income customers. The CEC should continue to fund GoGreen Financing and allocate additional continuous funding to this important program to ensure that it is available to all Californians.

Relatedly, allocating capital for inclusive utility investment (IUI) may provide another pathway to finance building upgrades. However, some POU billing systems are not currently able to implement an IUI or on-bill tariff financing program. To help make IUI more widely available, the CEC should consider providing funding for utility billing system upgrades.

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[1] SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. SCPPA Members are local publicly owned electric utilities that serve nearly 2.3 million California homes and businesses over 9,000 square miles.

[2] The Northern California Power Agency (NCPA) is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California.

[3] The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity, gas, water, and wastewater service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems that provide approximately 25 percent of the electric load in California and water and wastewater agencies that serve approximately 75 percent of California water customers.

Panel Optimization

The Joint POUs agree that additional education on panel optimization can reduce barriers to adoption of electrification measures, reduce project costs, and avoid utility upgrades. Many POUs currently offer panel upgrade programs, implemented in parallel with eligible building electrification programs. In addition, POUs offer a variety of complementary options to help customers optimize their existing panel, such as circuit splitters, subpanels, and wiring upgrades. State support and funding to better educate contractors and building officials on panel optimization, as well as resources for customers, could help to reduce the costs of building decarbonization. To address barriers to the adoption of meter socket adapters in POU territories, the CEC should collaborate with POUs on the potential need for minimum standards.

The Joint POUs also request that the CEC clarify its recommendation that utilities provide data to customers in a format suitable for use by electricians and building department staff to simplify electrical code-compliant load calculations. Specifically, we request additional details on what data the CEC is envisioning and its intended use cases.

Load Flexibility

Many POUs have been offering time-of-use (TOU) rates for more than a decade, and we remain committed to continuing to explore a variety of rate, load flexibility, and demand response programs. Several POUs are piloting new approaches to load flexibility to improve customer experience, ensure operational value, and to measure cost effectiveness. It is vital for utilities to maintain oversight of program design and rate structures, so programs can be optimized to the specific needs of the communities we serve.

POUs actively engaged and advocated during the CEC's Load Management Standards (LMS) proceeding, explaining that utility ratemaking is a complex and nuanced process that entails considerable resources. Policies that require utilities to revisit ratemaking processes create a considerable administrative burden. It is therefore critical that LMS is not expanded. Most POUs do not have the staff and other resources needed to support, effectively manage, and implement the detailed requirements of a prescriptive LMS. Requiring POUs to implement these standards could place an undue burden on their limited personnel, diverting attention from other critical operational tasks.

Dynamic rates represent one approach to load flexibility, but the Joint POUs disagree with the assertion that dynamic rates are a universal "gold standard" for optimizing load flexibility for all utility territories and all customer classes. Dynamic rates can pass through market volatility to customers and may lead to a negative customer experience and reduced participation in load flexibility programs. Moreover, dynamic rates may not be aligned with the planning regimes that can unlock the greatest value for POUs and, therefore, their customers. Carefully designed and tested programs can deliver load flexibility benefits without resulting in complex tariffs. In fact, simple incentive programs may capture most of the same benefits as a marginal cost signal.

Many POUs have clean energy goals that outpace statewide requirements, and POU governing boards are already well-positioned to tailor rate structures and programs to the unique needs of their communities while advancing local and statewide energy priorities. Imposing uniform standards could undermine this local governance and divert limited POU resources, leading to less effective and less responsive rate management.

POUs want to be active partners in any discussion or planning related to identifying opportunities for load shifting. We appreciate the CEC's recognition that load-flexibility can reduce bills and help avoid rate increases. To ensure realistic and achievable outcomes, it is important that any

proposed solutions avoid being overly prescriptive or burdensome for POUs. Customer-level load shifting does not automatically translate to utility-level load reductions; in some cases, it can even result in cost-shifting among customers.[4]

The most effective strategies for load flexibility will vary across POUs, as their systems, customer bases, and operational needs differ significantly. Because there is no one-size-fits-all approach, coordination is essential. POUs must be meaningfully involved in efforts to shed load and should continue partnering with the CEC to identify and prioritize actions that are both practical and effective.

Utility Data Collection

POUs currently report substantial volumes of data to multiple state agencies, including the CEC. Before creating new reporting requirements, the Joint POUs urge the CEC to first evaluate the data it already receives and determine whether those submissions are sufficient for its purposes. The CEC should collaborate with utilities to address any gaps in utility-provided data, rather than defaulting to regulatory action. Any proposals for additional or more granular reporting must recognize the administrative burden, and therefore costs, placed on POUs, and the CEC should clearly demonstrate the value of new data requests; particularly how they benefit the customers who ultimately bear these reporting and compliance costs. For example, MIDAS should remain an optional centralized database for rate structures, and it should not become a mandatory administrative burden on utilities.

Because POUs vary widely in their system resources, metering infrastructure, customer load profiles, and financial constraints, not all POUs are currently able to implement TOU rates without creating undue operational burdens or disproportionate cost impacts on their customers. Similarly, not all POUs have Advanced Metering Infrastructure (AMI) systems, or are still in the process of phasing in AMI systems. Therefore, not all POUs have AMI data available. While there are benefits to AMI, the systems require costly upgrades, including upgrades to billing software, in order to bill customers utilizing the new AMI technologies. In addition to cost considerations, AMI upgrades can take many years, and POUs have to conduct extensive outreach and education prior to deploying new AMI systems. POUs, particularly smaller ones, would benefit from funding support to implement AMI systems and billing upgrades for their service territories.

Bill Estimation Tools

The Joint POUs support the CEC's efforts to leverage existing data to provide customers with bill-impact estimation tools, especially when they allow customizable inputs such as utility rates and climate zones. Some POU territories do not have the resources or data needed to create a customized tool, but understanding bill impacts is critical for customers considering different efficiency and electrification measures and implementing successful decarbonization programs. Creative initiatives like the CEC's Energy Data Analysis Program can leverage existing CEC data to bridge gaps for POUs that do not have access to gas data while maintaining confidentiality and limiting administrative burden on POUs. The Joint POUs encourage the CEC to continue the development of this program for local government agencies and explore other tools, in collaboration with POUs, that assist with customer bill estimates.

Development of tools to assist customers with estimating changes to utility bills should not be limited to single-family residents, but should also be developed to assist multifamily residents in evaluating and understanding the impacts of fuel substitution upgrades. Multifamily residents are more likely to qualify as low-income and may experience a greater impact from increased utility

[4] https://energyathaas.wordpress.com/2025/07/14/every-electricity-demand-reduction-is-a-cost-shift/

bills. Even if a multi-family property owner is funding an electrification project, utility bills are often in the tenant's name and will directly impact the tenant. The CEC should also consider whether commercial customers may benefit from a bill estimation tool.

Role of Fuel Substitution in Achieving SB 350 Targets

The Joint POUs appreciate that Chapter 3 of the draft California Building Energy Action Plan explicitly and quantitatively accounts for fuel substitution as a contributing strategy toward achieving SB 350 doubling targets. Many POUs implement energy efficiency and beneficial electrification programs together as part of an integrated approach to reduce emissions and deliver customer benefits. Since POUs already report annually to the CEC on energy efficiency progress, acknowledging fuel substitution as a complementary and measurable component of SB 350–aligned savings provides important continuity and clarity for program planning, reporting, and evaluation.

At the same time, the Joint POUs encourage the CEC to better align Chapter 3's quantitative presentation with the report's overall narrative. The Executive Summary notes that efficient electrification is a primary pathway to reduce building-sector GHG emissions; however, Chapter 3 does not consistently reinforce this conclusion in its visuals and scenario discussions. We believe this is a missed opportunity to clearly communicate the relative contributions of traditional energy efficiency and fuel substitution/beneficial electrification across modeled scenarios—particularly given the report's emphasis on electrification as a key decarbonization strategy.

To improve transparency and strengthen alignment across the document, CEC staff should consider revising Figure 18[5] or adding a new figure to show, by scenario, the share of projected GHG emissions savings attributable to both traditional energy efficiency and fuel substitution. This revision would better reflect how utilities and customers implement building decarbonization strategies in practice and reinforce the report's stated conclusions.

Conclusion

Thank you for the opportunity to provide comments on the California Building Energy Action Plan workshop and draft report.

Thank you,

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[5] California Energy Commission, *Draft Commission Report: 2025 California Building Energy Action Plan* (CEC-400-2025-001-CMD, December 2025), Figure 18, p. 152.

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