

PUBLIC UTILITIES COMMISSION

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To: Pacific Gas and Electric Company (PG&E)

From: Lisa Paulo and Peter Biermayer, California Public Utilities Commission (CPUC)

Cc: R.25-04-010 Service Lists

Subject: MID-YEAR FEEDBACK - 2025 EX ANTE REVIEW (EAR) PERFORMANCE

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Pursuant to Decision (D).13-09-023, D.15-10-028, D.16-08-019, and D.20-11-013, California Public Utilities Commission (CPUC) staff and consultants are providing the 2025 Ex Ante Review (EAR) Performance Mid-year Feedback on the investor-owned utilities (IOUs) respective activities as of June 30, 2025. D.20-11-013 placed a moratorium on EAR awards<sup>1</sup> but directed that ex ante review scoring and evaluation processes shall continue. The mid-year feedback focuses on specific accomplishments and issues or concerns identified as part of ongoing measure package and custom project reviews. This feedback will help the IOUs address these issues for the remaining year.

## I. CPUC Staff Findings 2025 Mid-year Activities Feedback

The following sections of this memorandum provide a description of the findings, including areas of achievement and areas requiring improvement for both custom projects and measure packages review activities.

### A. Custom Projects Review Overview

#### 1. Summary of 2025 Mid-year Achievements

This feedback is based on 8 CPUC staff project review dispositions issued between January and June 2025. Six project review dispositions were ready to proceed with exceptions as noted, and two dispositions were advisory only—one NMEC and one SEM Year-End.

PG&E continues to demonstrate efforts to improve its performance. CPUC Staff's observations include:

- **Documentation Submission Timeline.** In the first half of 2025, PG&E submitted all projects (100%) earlier than required by Senate Bill (SB) 1131.
- **Consistent Collaboration.** PG&E continues to proactively engage with CPUC staff on project and policy issues during its bi-monthly meetings with Staff and at statewide custom projects collaboration meetings. Additionally, PG&E continues to participate in statewide initiatives and working groups.
- **Calculation Method.** In the first half of 2025, PG&E had no issues related to Calculation Method. This marks a significant improvement over 2024 where issues regarding calculation method were higher at 22% of all issues noted.

#### 2. Summary of Areas Requiring Improvement

Areas that were most problematic, frequent, and/or need improvement include:

- **Gross savings impacts.** In the first six months of 2025, nine issues impacted gross savings, the majority of which were related to analysis assumptions and M&V plans. This comprised 43 percent of all issues noted. While this is an improvement from 2024, PG&E must continue efforts to perform quality control on analysis assumptions and calculations to

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<sup>1</sup> The EAR awards were part of the Efficiency Savings and Performance Incentive (ESPI) awards.

uncover issues and enhance M&V plans prior to submitting for review.

- **Process, Policy, and Program Rules.** In the first half of 2025, there were six issues related to Process, Policy, and Program rules which comprised 29 percent of all issues noted. The issues noted spanned many different action categories and concerned errors relating to eligibility, EULs/RULs, standard practice baselines, incorrect measure cost and measure type. PGE needs to focus on identifying and correcting these issues during their quality control process.

## **B. Measure Packages Review Overview**

### **1. Summary of 2025 Mid-Year Achievements**

PG&E continues to demonstrate efforts to improve its performance and meet expectations. CPUC staff observed the following during PG&E's development and management of measure package submissions:

- **Timeliness.** PG&E is timely with their measure package submissions and promptly responds to feedback and questions.
- **Quality and Development.** PG&E has continued meeting expectations of their QC process with new submissions collaborating with CPUC staff and reviewers.
- **Collaboration.** PG&E has worked closely with CPUC staff and stakeholders on measure package and measure package plan submittals and has been actively engaged in collaborative efforts supporting measure package development. These efforts include load shape development, coordination with the commercial water heating Technical Advisory Group (TAG), engagement with implementers to support measure package updates, hosting the annual Deemed Update and Review Webinar, and review and testing of eTRM enhancements.

### **2. Summary of Areas of Improvement**

CPUC staff identifies the following recommendations for improvement, focused on the quality of measure package submissions:

- Continue to make incremental improvements across all metrics.

## **II. Discussion**

The following sections of this memorandum provide a detailed description of the findings, including areas of achievement and areas requiring improvement for both custom projects and measure packages.

## A. Custom Projects Performance Review

Each year, CPUC staff reviews a selected sample of custom project energy efficiency program applications. The review findings and directions to the IOUs are presented in documents referred to as “dispositions”. This feedback is based on 8 CPUC project review dispositions issued between January and June 2025.

The comments below are organized by the five metric areas prescribed in D.16-08-019. No scores are provided for these metrics in the mid-year memo. All feedback provided at this time is qualitative.

### 1. Timeliness of Submittals

PG&E complied with SB1131 guidelines for submitting documentation before the 15 business days required. For the first half of 2025, no projects were found to be late, and all projects submitted were uploaded earlier than required. PG&E has greatly improved with respect to the number of projects being submitted on time and are meeting CPUC requirements under this metric. Additionally, PG&E is making proactive efforts to upload submissions earlier than required.

### 2. Content, Completeness, and Quality of Submissions

Out of the eight project dispositions issued in the first six months of 2025, one was a SEM year-end review (CPR 977), one was NMEC review (CPR 988), and the remaining six were custom project reviews (CPR 962, 969, 973, 985, 986).

Six projects (CPR 962, 969, 973, 982, 985, 989) had action items identified in the dispositions related to gross savings impacts (43% of the actions identified fell into this category). The action items included problems with incorrect analysis assumptions and M&V plans. Three projects had action items related to M&V plans (CPR 962, 982, and 985), and four projects had issues with analysis assumptions (CPR 962, 969, 973, and 989). PG&E must work to prevent these issues related to gross savings impacts from occurring on future project submissions to avoid a significant loss of EAR points under this metric.

PG&E also had three projects (CPR 962, 969, 985) with issues related to process, policy and program rules (29% of the actions were in this category). Most of these issues were related to incorrect EUL/RUL, measure cost, and measure type. Commission staff recognizes the improvements in quality of submissions compared to 2024. PG&E must continue to take action to acquire and provide all relevant documentation and continue to enhance their QC processes.

Table 1 below summarizes the twenty-one action items identified across eight dispositions issued between January 1, 2025, and June 30, 2025.

Table 1: Summary of Categorized Action Items for Custom Projects

Issue Area	Action Categories	Summary of CPUC Staff Required Action by the PA:	Summary of CPUC Staff Notes or Instructions:	Percent of Total Actions
<b>Issues Related to Gross Savings Impacts</b>	Analysis assumptions	4	0	19%
	Calculation method	0	0	0%
	Calculation tool	0	0	0%
	M&V plan	5	1	24%
	<b>Subtotals</b>	<b>9</b>	<b>3</b>	<b>43%</b>
<b>Process, Policy, Program Rules</b>	Baseline	0	0	0%
	CPUC Policy	0	0	0%
	Did not follow previous CPUC guidance	0	0	0%
	Eligibility	1	0	5%
	ER preponderance of evidence	0	0	0%
	EUL/RUL	2	2	10%
	Incentive calculation	0	2	0%
	Measure cost	1	0	5%
	Measure type	2	0	10%
	PA program rules	0	0	0%
	Fuel switching	0	0	0%
	Self generation	0	0	0%
	<b>Subtotals</b>	<b>6</b>	<b>4</b>	<b>29%</b>
<b>Documentation Issues</b>	Continue Document Upload	4	0	19%
	Missing Documents	0	0	0%
	Missing required information	1	1	5%
	Project scope unclear	0	0	0%
	<b>Subtotals</b>	<b>5</b>	<b>1</b>	<b>24%</b>
<b>Issues Related to Net Impacts</b>	Program influence	0	3	0%
	<b>Subtotals</b>	<b>0</b>	<b>3</b>	<b>0%</b>
<b>Other Issues</b>	Other 1 - Incorrect BMU data	1	2	0%
	Other 2 - Inconsistent BMU data	0	0	0%
	<b>Subtotals</b>	<b>1</b>	<b>2</b>	<b>5%</b>
	<b>Grand Total</b>	<b>21</b>	<b>13</b>	<b>100%</b>

### **3. Proactive Initiative of Collaboration**

Commission staff found that PG&E made efforts to bring measures, studies or projects forward for discussion prior to review and engage on policy issues during bi-weekly meetings. PG&E took initiative to clarify the appropriate use of new DEER CZ2025 weather data, submitted a proposal to streamline the custom review process through a more holistic approach, and supported the statewide RP2.1 pilot expansion by offering training sessions and office hours to other PAs.

In addition, PG&E remains highly engaged in statewide collaboration efforts, including leading NMEC PCG calls, contributing to the CalTF Custom Library development and participating in CPUC-led groups such as the PFS Working Group, Small Lighting Working Group, and SEM best practices calls. These efforts aim to align key processes, including SEM bi-monthly project submissions, CEDARS validation, cost documentation, and project/participant ID consistency.

Overall, PG&E demonstrates strong and consistent collaboration and should continue performance under this effort.

### **4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)**

Project and measure level disposition performance results reviewed under Metric 2 are used as a proxy for the level of QA/QC occurring by the PA. As noted above, CPUC staff found a number of deficiencies related to gross savings impacts and Process, Policy, Program Rules during the first six months of 2025. Additionally, the number of dispositions proceeding without exception is weighed against those approved with exceptions or resulting in rejections.

Out of the eight dispositions issued from January to June 2025, two projects received advisory dispositions. All six remaining projects were allowed to proceed with exceptions as noted. Although all applications proceeded with noted exceptions, fewer action items were identified compared to 2024, indicating improved submission quality. Commission staff acknowledges these efforts and encourages PG&E to continue strengthening its QA/QC processes throughout 2025 to sustain progress.

### **5. PA's Responsiveness**

When reviewed at the portfolio level, CPUC staff assesses the time series of rejections and exceptions, the alignment of program policy and procedures with the number of actual rejections and exceptions based on eligibility and attribution, and the adaption to changes in rules over time.

For dispositions issued in the first six months of 2025, CPUC staff found that projects had a slight upward trend in terms of project performance over time (i.e., project submissions resulted in less exceptions over time). PG&E should continue performance efforts in this category.

For dispositions issued in the first six months of 2025, CPUC staff observed a slight upward trend in project performance (i.e., fewer exceptions over time). PG&E should continue efforts to maintain and improve performance in this category.

PG&E demonstrated responsiveness by submitting comprehensive comments on the PY 2024 NMEC EM&V Work Plan, advocating for customer-focused outcomes and clearer program

influence guidelines. The PA also quickly addressed CPUC feedback on discrepancies by implementing corrective measures, including additional QC crosschecks.

These actions reflect PG&E's commitment to continuous improvement and alignment with evolving requirements. CPUC staff will monitor trends for year-end scoring.

## **B. Measure Packages Performance Review**

During the first part of 2025, measure package updates were limited to EUL revisions based on the new EUL study published by CPUC. As a result, PAs were required to complete a mid-cycle update and make any related updates tied to the new EULs, including updates to refrigerant impacts. Because the scope of PA updates was limited, the review scope was also narrow, resulting in relatively few findings. PG&E had three measure packages disposed in the first half of 2025 and nine measure packages in the second half of 2025 that are either already approved or currently under review.

The comments below are organized by the five scoring metric areas created in D.16-08-019. The narrative includes observations related to the measure package development process as well as direction for future measure packages.

Specific measure package feedback is provided in tables in Attachment A at the end of this document. The first table, Measure Package Reviews, provides feedback on the measure packages that were reviewed and disposed of during the review period. The second table, Measure Package Submissions, lists all the measure packages submitted by PG&E in 2025 and their status. CPUC staff acknowledges that measure package development may have been supported by multiple PAs; however, for the purpose of this mid-year review, feedback is directed to the submitting PA that led the development effort.

### **1. Timeliness of Submittals**

PG&E has been timely with measure package submissions and responses to comments. PG&E should continue to share timeline updates with CPUC staff during monthly calls. PG&E has been proactive in working with the Ex Ante Review Team to resolve and finalize measure package comments.

Given that this review period reflected a mid-cycle update to accommodate EUL revisions, CPUC staff generally scored all PA submissions as meeting applicable deadlines.

### **2. Content, Completeness, and Quality of Submissions**

PG&E's measure package content and completeness met all applicable standards in the first half of the year.

### **3. Proactive Initiative of Collaboration**

PG&E has collaborated with CPUC staff in various capacities including the following:

- PG&E engaged in further development of load shapes and provided support in bringing the process from the DEER resolution to completion. They have engaged in talks with programs on what shapes should be prioritized once a process is in place. PG&E is participating in designing system requirements, providing data to support the design mockup, and working closely with CPUC and CPUC consultants to move this forward for use in 2026 for Deemed projects. PG&E has also gathered other related stakeholders and kept them informed and engaged while providing feedback to the CPUC whenever necessary.
- PG&E uses the platform rulebook and keeps third-party implementers informed of any changes by communicating through program managers, holding monthly meetings, and distributing a monthly newsletter.
- PG&E has collaborated with the commercial water heating TAG committee to enhance the modeling to determine energy savings of commercial heat pump water heaters. Collaborating with SCE and CPUC Consultants to provide additional data collection and possible metering to further support Measure Package development and modeling.
- PG&E has engaged a third-party implementer as a subject matter expert for developing new water pump measure package.
- PG&E held the annual Deemed Update and Review Webinar in February 2025. They summarized topics including DEER Resolution E-5350 key highlights, 2026 measure package changes highlighting offering changes, measures sunseting, and top TRC/TSB/IMC changes. They presented information to Program Managers, Trade Pros, Implementers, and other EE Stakeholders.

#### **4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)**

PG&E should continue to focus on QA/QC practices for all measure packages. There were minor revisions to the Lifecycle Refrigerant Management measure package, but they were addressed properly and in a timely manner.

#### **5. PA's Responsiveness**

PG&E has been responsive to CPUC staff comments and has met expectation outlined in CPUC staff guidance.

### **III. Attachments**

Attachment A: Measure Package Feedback contains the measure package summary tables showing the qualitative components for each.

Questions or comments about the feedback should be directed to Lisa Paulo ([lisa.paulo@cpuc.ca.gov](mailto:lisa.paulo@cpuc.ca.gov)) or Peter Biermayer ([peter.biermayer@cpuc.ca.gov](mailto:peter.biermayer@cpuc.ca.gov)). Note that pursuant to D.13-09-023, CPUC staff will schedule a meeting with PG&E staff to discuss this memorandum.



Attachment A: Measure Package Feedback

The table below lists the ID numbers associated with each measure package submission or disposition. The PA may refer to the individual dispositions for more detailed descriptions of the specific actions staff required for each measure package. The qualitative feedbacks are designated as follows:

Measure Package Review – All Disposed in First Half of 2025			
SW MP ID	Rev	Title	Comments
SWHC006	5	Demand Control Ventilation for Single Zone HVAC	Updates to EULs, permutations, and characterization were made based on 2025 values. This was a minor update, and no issues were identified with the measure package revisions. The updates were submitted in a timely manner.
SWHC023	6	Enhanced Ventilation for Packaged HVAC	Updates to EULs, permutations, and characterization were made based on 2025 values. This was a minor update, and no issues were identified with the measure package revisions. The updates were submitted in a timely manner.
SWSV014	4	Lifecycle Refrigerant Management, Residential	Updates included revisions to EULs, permutations, offerings, the RACC-FSC version, EnergyPlus modeling, costs, and code language to reflect refrigerant requirements. Because this measure package already had an approved PY2026 version that was adopted for PY2025 updates, CPUC staff identified only minor revisions. These revisions were addressed appropriately and in a timely manner.

Measure Package Submittals – All Submitted in 2025		
SW MP ID	Title	Comments
SWHC006-05	Demand Control Ventilation for Single Zone HVAC	Approved
SWHC023-06	Enhanced Ventilation for Packaged HVAC	Approved
SWSV014-04	Lifecycle Refrigerant Management, Residential	Approved
SWCR015-05	Medium-Temperature Case Doors	Approved
SWCR017-06	Ultra-Low Temperature Freezer	Approved
SWCR015-06	Medium-Temperature Case Doors	Approved
SWBE014-01	Door Sweeps and Door Sealing, Residential	Approved
SWWB008-04	All-Electric Homes, Residential, New Construction	Approved
SWCR007-05	Floating Temperature Controls, Multiplex	Under review (by CPUC staff or the PA)
SWHC062-02	Occupancy Fan Controller, Commercial	Under review (by CPUC staff or the PA)
SWWB002-02	Universal Audit Tool	Under review (by CPUC staff or the PA)
SWSV014-05	Lifecycle Refrigerant Management, Residential	Under review (by CPUC staff or the PA)