ESA Program Unspent Funds (PG&E)

ESA Portfolio Budget and Expenditure ($ in Millions)	Notes	ESA Main[1]	MFWB	Whole Home Pilot (PP/PD)	Other (SASH/MASH)	Total
2023 and Previous Carryover	A	$1.7	$28.5	$12.5	$9.6	**$52.2**
2024 Original Budget	B	$118.5	$44.5	$8.8	$0.0	**$171.8**
2024 Total Budget	C = A + B	$120.1	$73.0	$21.3	$9.6	**$224.0**
2024 Expenses	D	$112.5	$22.6	$9.8	$0.0	**$145.0**
2024 Unspent	E = C - D	$7.6	$50.4	$11.5	$9.6	**$79.0**
2024 Unspent as % of Budget	F = E / C	6%	69%	54%	100%	**35%**
2024 Committed	G	$0.9	$50.4	$11.5	$9.6	**$72.3**
2024 Uncommitted	H = E - G	$6.7	$0.0	$0.0	$0.0	**$6.7**
2024 Uncommitted as % of Budget	I = H / C	6%	0%	0%	0%	**3%**
2024 and Previous Carryover	J	$0.9	$50.4	$11.5	$9.6	**$72.3**
2025 Original Budget	K	$116.5	$45.8	$8.8	$0.0	**$171.1**
2025 Total Budget	L = J + K	$117.4	$96.2	$20.2	$9.6	**$243.4**
2025 Expenses	M	$114.9	$27.9	$9.0	$0.0	**$151.8**
2025 Unspent	N = L - M	$2.4	$68.3	$11.3	$9.6	**$91.6**
2025 Unspent as % of Budget	O = N / L	2%	71%	56%	100%	**38%**
2025 Committed	P	$0.9	$68.3	$11.3	$9.6	**$90.0**
2025 Uncommitted	Q = N - P	$1.6	$0.0	$0.0	$0.0	**$1.6**
2025 Uncommitted as % of Budget	R = Q / L	1%	0%	0%	0%	**1%**
2025 and Previous Carryover Forecast	S	$0.9	$68.3	$11.3	$9.6	**$90.0**
2026 Original Budget	T	$114.9	$47.2	$8.8	$0.0	**$170.9**
2026 Total Budget	U = S + T	$115.8	$115.5	$20.1	$9.6	**$260.9**
2026 Expenses Forecast through Q4	V	$111.8	$27.8	$8.7	$0.0	**$148.3**
2026 Unspent Forecast	W = U - V	$4.0	$87.7	$11.3	$9.6	**$112.6**
2026 Unspent as % of Budget	X = W / U	3%	76%	56%	100%	**43%**
2026 Committed Forecast	Y	$0.0	$0.0	$0.0	$0.0	**$0.0**
2026 Uncommitted Forecast	Z = W - Y	$4.0	$87.7	$11.3	$9.6	**$112.6**

2026 Uncommitted as % of Budget	AA = Z / U	3%	76%	56%	100%	**43%**
2026 and Previous Carryover Forecast	AB	$0.0	$0.0	$0.0	$0.0	**$0.0**
Unspent Funds description by program		Uncommitted Funds will be used to offset future collections	Uncommitted Funds can be rolled over to next program year	Uncommitted Funds can be rolled over to next program year	Uncommitted Funds can be rolled over to next program year	

[1] All unspent ESA funds remaining at the end of each year will be used to offset collection the following year.

Top 3 reasons for unspent funds:

1. Both the N. MFWB and Pilot Plus/Pilot Deep (PP/PD) programs experienced longer ramp-up periods than initially expected.
2. The average completion time for N.MFWB projects is 18 months, resulting in fewer completed projects than anticipated.
3. The N. MFWB program has completed fewer whole building projects due to market saturation with similar programs (e.g., BAMBE, LIWP, and SMUD's MF program); many MFWB projects had reduced project scope than anticipated because they were previously treated under other programs.

Any changes from previous Program Year:

- N. MFWB: The program reached several important milestones, including launching a statewide multifamily application to make participation easier. It completed its first projects outside of deed restrictions and with split utility setups and approved new measures like room heat pumps. Additionally, the program exceeded 100 finished whole building common area projects and integrated a revised electrification policy into its overall design.
- PP/PD has increasingly prioritized electrification efforts. The Pilot will continue exploring options to expedite project schedules and lower electrification-related expenses. In 2026, PG&E plans to assess innovative technologies that could potentially eliminate the requirement for panel upgrades.

Outlook for next Program Year:

- PG&E expects its ESA Main program to continue striving towards maximizing its authorized budget to meet goals.

- N. MFWB will continue to identify opportunities to reduce project completion times and identify efforts to seek leveraging opportunities with program partners.
- PG&E plans to continue identifying eligible customers and projects, as well as leveraging opportunities to utilize the unspent funds from the PP/PD and N.MFWB programs.

SDGE™

ESA Program Unspent Funds (SDG&E)

ESA Portfolio Budget and Expenditure ($ in Millions)	Notes	ESA Main	MFWB	Whole Home Pilot (PP/PD)	Other (SASH/MASH)	Total[1]
2023 and Previous Carryover	A	$17,273,311	$10,416,379	$2,824,866	$315,260	$30,829,816
2024 Original Budget[2]	B	$19,354,181	$9,014,088	$1,526,683	$0	$29,894,952
2024 Total Budget	C = A + B	$36,627,492	$19,430,467	$4,351,549	$315,260	$60,724,768
2024 Expenses	D	$15,983,937	$3,042,656	$806,411	$0	$19,833,003
2024 Unspent	E = C - D	$20,643,556	$16,387,811	$3,545,138	$315,260	$40,891,765
2024 Unspent as % of Budget	F = E / C	56%	84%	81%	100%	67%
2024 Committed	G	$4,593,633	$11,597,510	$3,545,138	$315,260	$20,051,540
2024 Uncommitted	H = E - G	$16,049,923	$4,790,302	$0	$0	$20,840,225
2024 Uncommitted as % of Budget	I = H / C	44%	25%	0%	0%	34%
2024 and Previous Carryover	J	$4,593,633	$11,597,510	$3,545,138	$315,260	$20,051,540
2025 Original Budget	K	$20,998,424[3]	$9,938,809[4]	$1,526,683	$0	$32,463,916
2025 Total Budget	L = J + K	$25,592,057	$21,536,319	$5,071,820	$315,260	$52,200,196
2025 Expenses through December 2025 [5]	M	$16,100,190	$7,400,426	$986,429	$315,260	$24,802,306
2025 Unspent	N = L - M	$9,491,867	$14,135,892	$4,085,391	$0	$27,713,151
2025 Unspent as % of Budget	O = N / L	37%	66%	81%	0%	53%
2025 Committed	P	$4,570,167	$14,135,892	$4,085,392	$0	$22,791,451
2025 Uncommitted	Q = N - P	$4,921,700	$0	$0	$0	$4,921,700
2025 Uncommitted as % of Budget	R = Q / L	19%	0%	0%	0%	9%
2025 and Previous Carryover Forecast	S	$4,570,167	$14,135,892	$4,085,392	$0	$22,791,451
2026 Original Budget	T	$22,662,989[3]	$9,307,996[4]	$1,526,683	$0	$33,497,668
2026 Total Budget	U = S + T	$27,233,156	$23,443,888	$5,612,075	$0	$56,289,119
2026 Expenses through April 30, 2026	V	$4,486,432	$4,092,106	$191,144	$0	$8,769,682
2026 Unspent	W = U – V	$22,746,724	$19,351,782	$5,420,931	$0	$47,519,437
2026 Unspent as a % of Budget	X = W/U	84%	83%	97%	0%	84%

[1] Totals exclude amortization.
[2] Authorized budget per D.21-06-015.
[3] The total includes MF SPOC.
[4] Authorized budget as approved in MFWB Implementation AL 4115-E / 3144-G and IOU Administration AL 4482-E / 3324-G.
[5] Program year 2025 final expenses will be reported in the SDG&E 2025 Annual Report.

2026 Committed	Y = U - V	$22,746,724	$19,351,782	$5,420,931	$0	$47,519,437
2026 Uncommitted	Z = W - Y	$0	$0	$0	$0	$0
2026 Uncommitted as % of Budget	AA = Z/U	0%	0%	0%	0%	0%
2026 Carry Forward	AB	$22,746,724	$19,351,782	$420,931	$0	$47,519,437
Unspent Funds description by program		Uncommitted Funds will be used to offset future collections	Uncommitted Funds can be rolled over to next program year	Uncommitted Funds can be rolled over to next program year	Uncommitted Funds can be rolled over to next program year	

Top 3 reasons for unspent funds:

- ESA Main: In 2023, new policies, program design changes, supply chain issues, and staffing challenges slowed ESA Main's outreach, enrollment, and installation activities. Performance improved in 2024 with targeted outreach, a new savings methodology, and online enrollment (83% of budget spent), but 2025 enrollments unexpectedly declined 16% from 2024 levels due to ICE-related concerns and ongoing implementer recruitment challenges for outreach staff. 2025 uncommitted funds were reserved for a third HVAC/Water Heater Repair & Replacement Contractor which did not materialize after a 2024 solicitation.
- ESA Southern MFWB: Unspent funds in 2025 resulted from early year system delays and temporary contractor production slowdowns, which limited field activity and program spending during the first half of the year. These issues were mitigated by the third quarter, leading to significantly improved spending, treatment delivery, and savings outcomes compared to 2024, and the Program is carrying this stronger operational momentum into 2026.
- Pilot Plus and Pilot Deep experienced significant delays during launch due to insufficient proposals and difficulty securing a qualified bidder. SDG&E's executed the contract for implementation in January 2024. Since the pilot's launch, SDG&E has faced operational challenges and low participation, due to the number of feasible households in Climate Zones 14 and 15 being significantly lower than anticipated. In addition, many projects have not proceeded with the pilot for multiple reasons including but not limited to refusing to engage with the program, not meeting income guidelines or savings requirements for the pilot.

Any changes from previous Program Year:

- ESA Main- In order to reduce the amount of unspent funds in 2026, SDG&E will need to increase program enrollment and homes treated. SDG&E is increasing coordination with CBOs and other groups in an effort to build trust in the community and drive enrollments.

- SMFWB-In 2025, the primary changes from the previous Program Year included contract modifications that allowed SDG&E to frontload payments to the implementer during system outages to support cashflow stability for the implementer and subcontractors, and the addition of Not-to-Exceed (NTE) compensation levels for selected CAM measures to provide greater flexibility and responsiveness when reviewing bids from trade allies. These changes strengthened program resilience and will continue supporting more predictable delivery in future years.
- In 2025, Pilot Plus and Pilot Deep-SDG&E has collaborated with the implementer to further focus on the projects in progress to streamline efforts with a significant increase in Q4 2025 with growth continued in 2026.

2026 Program Year Outlook:

- ESA Main is continuing to see lower levels of enrollments in the first half of 2026. SDG&E is increasing its collaboration with CBOs and other interested parties in an effort to increase enrollments. SDG&E also plans to conduct a solicitation for a second HVAC and Water Heater Repair and Replacement Services contractor.
- For 2026, the Southern MFWB Program will focus on completing the substantial volume of CAM and in-unit projects already in the pipeline, while continuing to enroll additional eligible multifamily properties. With system issues resolved and field performance strengthened in the latter half of 2025, the Program enters 2026 with improved operational stability, stronger contractor capacity, and positive momentum to support more consistent treatment delivery and fund utilization.
- Pilot Plus and Pilot Deep expects to continue the collaboration with community organizations in efforts to gain more traction in enrollment of eligible customers.

SoCalGas

SoCalGas ESA Program Unspent Funds - April 2026 YTD LIOB

SoCalGas	Notes	ESA Main	MFWB	Whole Home Pilot	Total
2023 and Previous Carryover	A	$ -	$ 21,328,431.00	$ 12,558,234.00	**$ 33,886,665.00**
2024 Original Budget	B	$ 95,080,003.00	$ 21,224,295.00	$ 6,510,545.00	**$ 122,814,843.00**
2024 Total Budget	C = A + B	$ 95,080,003.00	$ 42,552,726.00	$ 19,068,779.00	**$ 156,701,508.00**
2024 Expenses	D	$ 84,811,095.00	$ 7,523,668.00	$ 473,107.00	**$ 92,807,870.00**
2024 Unspent	E = C - D	$ 10,268,908.00	$ 35,029,058.00	$ 18,595,672.00	**$ 63,893,638.00**
2024 Unspent as % of Budget	F = E / C	11%	82%	98%	**41%**
2024 Committed	G	$ -	$ 35,029,058.00	$ 18,595,672.00	**$ 53,624,730.00**
2024 Uncommitted	H = E - G	$ 10,268,908.00	$ -	$ -	**$ 10,268,908.00**
2024 Uncommitted as % of Budget	I = H / C	11%	0%	0%	**7%**
2025 Carry-forward	J (same as G?)	$ -	$ 35,029,058.00	$ 18,595,672.00	**$ 53,624,730.00**
2025 Original Budget	K	$ 95,388,391.00	$ 20,950,948.00	$ 6,510,545.00	**$ 122,849,884.00**
2025 Total Budget	L = J + K	$ 95,388,391.00	$ 55,980,006.00	$ 25,106,217.00	**$ 176,474,614.00**
2025 Expenses	M	$ 88,447,807.75	$ 15,085,730.51	$ 1,668,059.94	**$ 105,201,598.20**
2025 Unspent	N = L - M	$ 6,940,583.25	$ 40,894,275.49	$ 23,438,157.06	**$ 71,273,015.80**
2025 Unspent as % of Budget	O = N / L	7%	73%	93%	**40%**
2025 Committed	P	$ 6,940,583.25	$ 40,894,275.49	$ 23,438,157.06	**$ 71,273,015.80**
2025 Uncommitted	Q = N - P	$ -	$ -	$ -	**$ -**
2025 Uncommitted as % of Budget	R = Q / L	0%	0%	0%	**0%**
2025 Carry-forward	S (same as P)	$ 6,940,583.25	$ 40,894,275.49	$ 23,438,157.06	**$ 71,273,015.80**
2026 Original Budget	T	$ 95,466,784.00	$ 20,563,740.00	$ 6,510,545.00	**$ 122,541,069.00**
2026 Total Budget	U = S + T	$ 102,407,367.25	$ 61,458,015.49	$ 29,948,702.06	**$ 193,814,084.80**
2026 Expenses Forecast through April		$ 20,321,668.80	$ 5,538,921.16	$ 481,064.76	**$ 26,341,654.72**
2026 Unspent		$ 82,085,698.45	$ 55,919,094.33	$ 29,467,637.30	**$ 167,472,430.08**
2026 Unspent as % of Budget		80%	91%	98%	**86%**
Unspent Funds description by program		Uncommitted Funds will be used to offset future collections	Uncommitted Funds can be rolled over to next program year	Uncommitted Funds can be rolled over to next program year	

Narrative Explanation:

Top 3 reasons for unspent funds:

- Majority of unspent funds are from Southern MFWB Program and ESA Whole Home Pilot
    - **For Southern MFWB Program**, SDG&E is the lead IOU:
        - Unspent funds in 2025 resulted from early year system delays and temporary contractor production slowdowns, which limited field activity and program spending during the first half of the year. These issues were mitigated by the third quarter, leading to significantly improved spending, treatment delivery, and savings outcomes compared to 2024, and the Program is carrying this stronger operational momentum into 2026.
    - **For ESA Whole Home Pilot,** following are combined SCE and SoCalGas observations:
        - Pilot programs have shown varied performance, with only the Building Electrification (BE) pilot demonstrating strong results through continued increases in installations and completed homes. Other pilots have not achieved similar momentum, contributing to unspent funds.
        - Only 147 homes served so far versus 2,200 planned for 2023–2025, far below the original goal of 733 installations per year, resulting in significantly less budget spent.
        - Contributing factors include extended ramp-up (including co-branding delays) and lower-than-expected customer interest.
        - Mid-pilot changes, including lowering baseline usage requirements and increased customer engagement, drove exponential improvement in enrollments, but not enough to approach original targets, keeping overall spend low.

Any changes from previous Program Year:

- For the main ESA Program, SoCalGas has continued its process to review information on program impacts related to increased costs and consider pricing adjustments as budgets allow. During 2026, SoCalGas re-introduced its temporary Fuel Surcharge fee (that was initially introduced in November of 2023), among other pricing adjustments made in April.
- SoCalGas' ESA contractors continue to give appropriate focus to the installation of Health, Comfort, and Safety (HCS) measures that directly improve customers' quality of life, while continuing to deliver higher therm-savings treatments to households served.

Outlook for next Program Year:

- SoCalGas' ESA Program contractors will continue targeting installations of water-saving and high-efficiency, deeper therm-saving measures such as tankless water heaters. Tankless continues to add to the success of the program since being added in 2023.
- SoCalGas extended its High-Efficiency Clothes Washers program to all of its contractor network for Program Year 2026, which is anticipated to increase installations and therms saved, and help draw in new customers.