

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	\$111.6	\$27.8	\$8.8	\$0.0	\$148.2
2026 Unspent Forecast	W = U - V	\$4.2	\$87.7	\$11.3	\$9.6	\$112.8

2026 Unspent as % of Budget	X = W / U	4%	76%	56%	100%	43%
2026 Committed Forecast	Y	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2026 Uncommitted Forecast	Z = W - Y	\$4.2	\$87.7	\$11.3	\$9.6	\$112.8
2026 Uncommitted as % of Budget	AA = Z / U	4%	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 at end of 2026 will be used to offset 2027 collections				

⁽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 continues to strengthen customer and contractor engagement through new outreach and education efforts, including a property manager enrollment guide, a statewide multifamily housing marketing campaign, and a contractor success case study. In 2026, it also developed targeted newsletters to share program updates and resources with stakeholders.
- PP/PD has increasingly prioritized electrification efforts and is assessing innovative technologies that could potentially eliminate the requirement for panel upgrades. The program is in the process of winding down project installations.

Outlook for next Program Year:

- PG&E continues to identify eligible customers and projects, as well as leveraging opportunities to utilize the budget for the N. MFWB program. Unspent program funds for PP/PD and N.MFWB will be used to offset collections for 2027 as directed by the Commission in D.26-07-007.
- PG&E is working with implementers and vendors to extend existing contracts, maintain workforce stability, and avoid service disruption. No programmatic gaps or adverse contractor-workforce impacts are anticipated under the current funding outlook and Bridge Funding transition.

ESA Program Unspent Funds (SCE)

Table 1 – ESA Main

SCE	Notes	ESA Main	MFWB	Whole Home Pilot	BE Pilot (SCE-only)	Clean Energy Home (SCE-only)	Other (SASH/MASH)	Total
2023 and Previous Carryover	A	\$ 20.04	\$ 3.57	\$ 7.00	\$ 11.46	\$ 2.95	\$ -	\$ 45.01
2024 Original Budget	B	\$ 57.71	\$ 17.54	\$ 3.88	\$ 10.25	\$ 1.78	\$ 6.16	\$ 97.31
2024 Total Budget	C = A + B	\$ 77.74	\$ 21.10	\$ 10.88	\$ 21.71	\$ 4.73	\$ 6.16	\$ 142.32
2024 Expenses	D	\$ 53.45	\$ 0.22	\$ 0.85	\$ 3.02	\$ 0.52	\$ 6.16	\$ 64.22
2024 Unspent	E = C - D	\$ 24.29	\$ 20.89	\$ 10.03	\$ 18.69	\$ 4.21	\$ -	\$ 78.11
2024 Unspent as % of Budget	F = E / C	31%	99%	92%	86%	89%	0%	55%
2024 Committed	G	\$ 24.29	\$ 20.89	\$ 10.03	\$ 18.69	\$ 4.21	\$ -	\$ 78.11
2024 Uncommitted	H = E - G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024 Uncommitted as % of Budget	I = H / C	0%	0%	0%	0%	0%	0%	0%
2024 and Previous Carryover	J	\$ 24.29	\$ 20.89	\$ 10.03	\$ 18.69	\$ 4.21	\$ -	\$ 78.11
2025 Original Budget	K	\$ 64.01	\$ 14.70	\$ 3.88	\$ 12.12	\$ 1.66	\$ -	\$ 96.37
2025 Total Budget	L = J + K	\$ 88.30	\$ 35.59	\$ 13.91	\$ 30.81	\$ 5.87	\$ -	\$ 174.48
2025 Expenses	M	\$ 71.80	\$ 9.13	\$ 2.62	\$ 13.56	\$ 0.29	\$ -	\$ 97.39
2025 Unspent	N = L - M	\$ 16.51	\$ 26.46	\$ 11.29	\$ 17.24	\$ 5.58	\$ -	\$ 77.08
2025 Unspent as % of Budget	O = N / L	19%	74%	81%	56%	95%	0%	44%
2025 Committed	P	\$ 16.51	\$ 26.46	\$ 11.29	\$ 17.24	\$ 5.58	\$ -	\$ 77.08
2025 Uncommitted	Q = N - P	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025 Uncommitted as % of Budget	R = Q / L	0%	0%	0%	0%	0%	0%	0%
2025 and Previous Carryover	S	\$ 16.51	\$ 26.46	\$ 11.29	\$ 17.24	\$ 5.58	\$ -	\$ 77.08
2026 Original Budget	T	\$ 50.51	\$ 12.33	\$ 3.88	\$ 6.35	\$ 1.72	\$ -	\$ 74.80
Fund shift per AL 5852-E		\$ 33.92	\$ (15.69)	\$ (10.93)	\$ -	\$ (7.30)	\$ -	\$ -
2026 Total Budget	U = S + T	\$ 100.93	\$ 23.10	\$ 4.25	\$ 23.59	\$ 0.00	\$ -	\$ 151.88
2026 Expenses (through July 2026)		\$ 56.16	\$ 6.46	\$ 2.78	\$ 12.41	\$ 0.00	\$ -	\$ 77.81
2026 Unspent*		\$ 44.77	\$ 16.65	\$ 1.47	\$ 11.18	\$ (0.00)	\$ -	\$ 74.07

*Total unspent funds of \$152M excludes prior offsets of \$40.9M (2021), \$8.0M (2023), and \$4.9M (2025). After accounting for these offsets, total unspent funds as of July 2026 are \$20M.

Top Reason for unspent funds:

- Unspent funds have been actively minimized through Advice Letter 5852-E reallocations and current-cycle offsets.

Any changes from previous Program Year:

- Tariffs and continued increases in material and installation costs have placed upward pressure on ESA program expenses. These market conditions have contributed to higher overall implementation costs compared to prior cycles.

Table 2 – ESA Main and Pilots

Note: SCE is providing Table 1 in its current format for compliance purposes. However, Table 1 does not fully reflect the disposition of unspent funds. To provide a more complete accounting, SCE has included Table 2 below that presents applicable offsets, remaining unspent funds by program, and any residual unspent balances.

Program	Unspent as of 7/1/21	Authorized Budget (2021-2026)	Total Cycle Spend as of 7-31-	Offset	Shift Per AL 5852-E	Balance
ESA Main	\$ 64,966,232	\$ 317,999,175	\$ 321,874,504	\$ (54,014,560)	\$ 33,921,948	\$ 40,998,291
SMFWB - SCE	\$ -	\$ 48,739,977	\$ 16,315,172	\$ -	\$ (15,691,244)	\$ 16,733,561
PPPD	\$ -	\$ 19,424,318	\$ 7,022,527	\$ -	\$ (10,928,914)	\$ 1,472,877
BE Pilot	\$ -	\$ 40,832,691	\$ 29,654,955	\$ -	\$ -	\$ 11,177,736
CEH	\$ -	\$ 8,859,000	\$ 1,557,210	\$ -	\$ (7,301,790)	\$ (0)
Total	\$ 64,966,232	\$ 435,855,161	\$ 376,424,369	\$ (54,014,560)	\$ -	\$70,382,463



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	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	\$4,115,392	\$0	\$22,821,451
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	\$4,115,392	\$0	\$22,821,451
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	\$5,642,075	\$0	\$56,319,119
2026 Expenses through July 31, 2026	V	\$ 8,602,109	\$7,376,890	\$ 760,443	\$0	\$ 16,739,442
2026 Unspent	W = U - V	\$18,631,047	\$16,066,997	\$4,881,632	\$0	\$39,579,676

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.



2026 Unspent as a % of Budget	X = W/U	68%	69%	876%%	0%	70%
2026 Committed	Y = U - V	\$18,631,047	\$16,066,997	\$4,881,632	\$0	\$39,579,676
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	\$18,631,047	\$16,066,997	\$4,881,632	\$0	\$39,579,676
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:** SDG&E remains on pace, having spent approximately \$7.3 million (79% of its authorized budget). While some projects have longer development timelines, the primary factor affecting spend progression is the extended lifecycle of CAM projects, which must advance through design, procurement, construction, and invoicing before expenditures are realized. As a result, spending typically lags enrollment and pipeline activity. Program efforts remain focused on advancing existing CAM projects to completion while maximizing in-unit treatment production through the remainder of the program cycle.
- **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:** Compared to 2025, the program has shifted from pipeline growth to pipeline conversion. Program efforts are focused on advancing existing CAM projects to completion while continuing to identify and enroll new in-unit opportunities that can be delivered within the remaining funding window.
- 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.
- **SMFWB 2026 Outlook:** Based on current program performance and the latest Implementer forecast, SDG&E aims to reach approximately 6,193 in-unit treatments (61% of goal) and 39 CAM project completions (72% of goal) by year-end. The program is forecasted to expend approximately \$10.6 million (127% of budget), reflecting continued investment in advancing existing CAM projects through completion and delivering in-unit treatments. In addition, the program has begun implementing funding-management strategies associated with the reduced PY2027 Bridge Funding authorization, including prioritizing pipeline conversion, communicating program timelines to property owners and trade allies, and developing a waitlist process for longer-duration projects extending beyond 2027.
- **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 ESA Program Unspent Funds – through July 31, 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	\$ -	\$ 40,894,275.49	\$ 23,438,157.06	\$ 64,332,432.55
2025 Uncommitted	Q = N - P	\$ 6,940,583.25	\$ -	\$ -	\$ 6,940,583.25
2025 Uncommitted as % of Budget	R = Q / L	7%	0%	0%	4%
2025 Carry-forward	S (same as P)	\$ -	\$ 40,894,275.49	\$ 23,438,157.06	\$ 64,332,432.55
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	\$ 95,466,784.00	\$ 61,458,015.49	\$ 29,948,702.06	\$ 186,873,501.55
2026 Expenses Forecast through July		\$ 46,533,402.00	\$ 12,713,521.00	\$ 1,539,339.00	\$ 60,786,262.00
2026 Unspent		\$ 48,933,382.00	\$ 48,744,494.49	\$ 28,409,363.06	\$ 126,087,239.55
2026 Unspent as % of Budget		51%	79%	95%	67%
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:

- For ESA Main and Total ESA, the level of unspent funding is overstated because it contains the full budget for Program Year (PY) 2026 but only actual expenditures from January – July 2026. Estimated unspent funds for ESA Main in 2026 is currently ~ 1% of authorized budget.
- Majority of unspent funds are from Southern MFWB Program and ESA Whole Home Pilot
 - **For Southern MFWB Program**, per this program’s administrator, transitioning the program to a regional model led to delays caused by program design and policy barriers, administrative complexities, and customer participation challenges, all resulting in a lack of program funds utilization.
 - **For ESA Whole Home Pilot**, fewer installations led to lower costs.
 - Only 128 homes served vs. 2,200 planned (2023–2025), far below the original goal of 733 installations per year, resulting in significantly less budget spent.
 - Contributing factors include extended ramp-up (incl. co-branding delays) and lower-than-expected customer interest.
 - Mid-pilot changes—lowering baseline usage requirements and increasing customer list refreshes—drove exponential improvement in enrollments, but not enough to approach original targets, keeping overall spend low.

Any changes from previous Program Year:

- For ESA Main Program, SoCalGas has made timely and appropriate compensation increases to address changes in contractor costs to deliver the program.
 - On April 1st, SoCalGas added four new compensation fees in support of labor costs to install tankless water heaters, high-efficiency clothes washer, and furnaces.
 - Additionally, compensation for various measures were increased to support higher materials costs, including the temporary Fuel Surcharge fee that was introduced in November of 2023 in support of high gasoline prices.
 - Most recently, SoCalGas increased the compensation of 19 measures and fees for higher manufacturer costs in association with its commitment to perform intra-program cycle pricing reviews.

Outlook for next Program Year:



- As we begin to ramp down the current Program Cycle and prepare for the Bridge Year, SoCalGas' will continue to encourage its Service Providers to seek opportunities to install high-efficiency tankless water heaters and high-efficiency (HE) clothes washers. These measures have high therm savings and perceived value to customers interested in the ESA Program.
- SoCalGas extended appliance work to all of its contractor networks interested in this additional work for Program Year 2026 and over half signed up and are now installing HE clothes washers in more homes.