STATE OF CALIFORNIA GAVIN NEWSO

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

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June 19, 2025

Agenda ID #23583
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 23-05-012, et al.:

This is the proposed decision of Administrative Law Judge Carrie Sisto. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's July 24, 2025, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC:asf
Attachment

ALJ/CS8/asf **PROPOSED DECISION** **Agenda ID #23583**
Ratesetting

Decision **PROPOSED DECISION OF ALJ CAROLYN SISTO (Mailed 6/19/2025)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2024 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation. (U39E.)	Application 23-05-012
And Related Matters.	Application 23-05-013 Application 23-06-001 Application 23-07-012

DECISION ADOPTING A DEFINITION OF FIXED GENERATION

Summary

This decision adopts the definition of fixed generation costs as "costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation." This decision applies to Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (the large electric utilities).

The definition adopted in this proceeding shall be used when evaluating each large electric utility's annual Energy Resource Recovery Account (ERRA) applications after the issuance of this decision.

Each large electric utility's ERRA filing, in part, seeks Commission review of a balancing account (or accounts) that track and allow utilities to seek recovery of costs associated with long-term electric generation contracts the utilities entered before some portion of their customers switched to other load serving entities.

The definition of fixed generation costs adopted in this decision shall be consistent across the large electric utilities. Other issues related to the common costs addressed in the large electric utilities' ERRA applications are not addressed in this decision.

Applications (A.) 23-05-012, A.23-05-013, A.23-06-001, and A.23-07-012, as consolidated, are closed.

1. Background

In the October 14, 2024, Amended Scoping Memo, the Commissioner found the benefits of consolidating the outstanding fixed generation cost-related issues in the large electric utilities' 2024 ERRA forecast applications would outweigh any potential burden to the applicants and parties. The factual and procedural background of this proceeding is explained below.

1.1. Factual Background

Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) each filed separate Energy Resource Recovery Account (ERRA) related applications in May or June 2023.[1]

On August 1, 2023, an assigned Administrative Law Judge (ALJ) ruling was issued in each of the utilities' ERRA forecast proceedings, directing parties to address specific issues related to fixed generation costs. The rulings defined fixed generation costs as investor-owned utility (IOU) generation "costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation."[2] Essentially, these costs are fixed because the utility's generating portfolio must run, regardless of the amount of electricity customers use, regardless of the time of use.

These rulings were in response to Commission-identified concerns about the methods the large electric IOUs use to allocate fixed generation costs across IOU bundled customers, which receive both electric generation and distribution service from an IOU, and unbundled customers that choose to receive electric generation service from other load serving entities (LSE). Currently, customers that choose to receive electric generation service from other LSEs, such as community choice aggregators (CCA) or direct access providers share in the above or below market net costs of long-term electric generation and resource adequacy contracts the large electric utilities signed to support load that has since shifted to LSEs' electric generation contracts.

Pursuant to Public Utilities Code (Pub. Util. Code) §366.1(f), costs of electric corporations' past undercollections and costs associated with net unavoidable power purchase contracts are recovered through the Power Charge

[1] PG&E filed Application (A.) 23-05-012 on May 15, 2023; SDG&E filed A.23-05-013 on May 15, 2023; SCE filed A.23-06-001 on June 1, 2023.

[2] ALJ Rulings dated August 1, 2023, filed in A.23-05-012, A.23-05-013, and A.23-06-001.

Indifference Adjustment (PCIA).[3] The PCIA intends to ensure that customers that continue to receive electric service from the large electric utilities are not paying generation costs incurred in anticipation of serving the customers that now receive electric service from a CCA or direct access provider.[4]

During the large electric utilities 2023 ERRA cycle, the Commission found the large electric utilities' bundled generation rates were not similar, and the contributing factors related to fixed generation costs in each of the large electric utilities' ERRA forecast proceedings were not aligned.

Specifically, the fixed generation costs identified by the large electric utilities did not decrease at the same pace of customer load departing to CCAs, direct access providers, other LSEs, or self-generation, during 2020 through 2023.[5]

For example, from 2020 to 2023, SDG&E had roughly 75 percent of its load depart to CCAs but its fixed generation costs, paid for by bundled customers, only decreased by approximately $37 million (from $167 million in 2020 to $130 million in 2023).[6]

Separately, SDG&E's fixed portion of its generation rate increased from only 16 percent in 2020 to almost 40 percent in 2023.[7]

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[3] Pub. Util. Code §§366.1 and 366.2. All further statutory references, indicated with a §, are to the Pub. Util. Code unless otherwise noted.

[4] Pub. Util. Code §366.2(d).

[5] PG&E, SCE, SDG&E, CalAdvocates, CalCCA, CEA/SDCP, and DACC, provided responses to the August 1, 2023, Ruling, which were separately filed on August 23, 2023, in A.23-05-012/A.23-07-012; A.23-05-013; and A.23-06-001. Commission staff identified disparities in the data.

[6] SDG&E Opening Comments on the August 1, 2023, Ruling dated August 23, 2023, at 3.

[7] SDG&E Opening Comments on the August 1, 2023, Ruling dated August 23, 2023, at 3.

Similarly, across 2020 through 2023, PG&E experienced a 60 percent decrease in customers receiving bundled service, but the definition of the types of costs related to PG&E's fixed generation have not been addressed in any prior Commission decision.[8]

SCE's fixed generation costs in 2020 through 2023 made up approximately 50 percent of SCE's total generation rate and nearly all of those costs were recovered through the PCIA.[9]

1.2. Procedural Background

The Assigned Commissioner issued an amended scoping memo on September 15, 2023, consolidating PG&E's ERRA forecast application A.23-05-012 with A.23-07-023, an expedited application filed by PG&E regarding a forecast undercollection in its ERRA, referred to as a Trigger application.

In separate decisions, the Commission authorized each of the large electric IOUs to modify rates associated with the 2024 ERRA applications.[10]

Each decision issued in the large electric utilities' 2024 ERRA applications deferred consideration of the issues related to fixed generation costs raised in the August 1, 2023, ALJ Rulings to a separate, Phase 2, of each large IOUs' 2024 ERRA forecast proceedings.

A prehearing conference (PHC) on fixed generation cost issues was held on January 9, 2024, to address the issues of law and fact, determine the need for

[8] PG&E Opening Comments on the August 1, 2023, Ruling, dated August 23, 2023, at 5-6 and PG&E ERRA Forecast Testimony (A.23-05-012) at 9-10.

[9] SCE Opening Comments on the August 1, 2023, Ruling, dated August 23, 2023, at 3-4.

[10] PGE: D.23-12-022 in A.23-05-012/A.23-07-012; D.23-12-021 in A.23-05-013; and D.23-11-094: A.23-05-012, A.23-07-012, A.23-05-013, and A.23-06-001 remain open to consider fixed generation costs.

evidentiary hearing, and set the schedule for the remainder of the IOUs' 2024 ERRA Forecast proceedings.[11]

On October 11, 2024, the Assigned Commissioner issued an amended scoping memo and ruling formally consolidating PG&E, SCE, and SDG&E's 2024 ERRA Forecast proceedings (A.23-05-012/A.23-07-021; A.23-06-001; and A.23-05-013, respectively) for the sole purpose of determining a definition of fixed generation costs.

A status conference was held on December 3, 2024, during which all active parties stated there are no material facts that would require evidentiary hearings.[12]

On January 28, 2025, PG&E, SCE, SDG&E, California Community Choice Association (CalCCA), San Diego Community Power (SDCP), and the Clean Energy Alliance (CEA) filed a joint motion to offer exhibits into evidence and admit evidence into the record. On January 29, 2025, the Alliance for Retail Energy Markets (AReM) filed a motion for admission of portions of its testimony into evidence on the record of this proceeding.

Opening briefs were filed on February 3, 2025, and reply briefs were filed on February 18, 2025.

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[11] A May 1, 2024, ALJ ruling amended the schedule to provide parties time to participate and resolve the IOUs' 2025 ERRA Forecast proceedings, which are not consolidated with the instant proceeding.

[12] Status Conference Transcript filed and served on January 31, 2025, at 8, 9, and 10. The active parties to this proceeding are PG&E, SCE, SDG&E, the Alliance for Retail Energy Markets, the Clean Energy Alliance, the California Community Choice Association, the Direct Access Customer Coalition, the Public Advocates Office at the California Public Utilities Commission, and San Diego Community Power.

1.3. Submission Date

This matter was submitted on February 18, 2025, upon the filing of reply briefs.

2. Jurisdiction

The Commission's ERRA process was established pursuant to California Pub. Util. Code §454.5(d), Rules 2.1 and 3.2 of the Rules of Practice and Procedure of the California Public Utilities Commission and D.02-10-062.[13] Pub. Util. Code §366.2 requires the Commission to ensure that costs of contracts the IOUs entered that would have served customers choosing to enroll with another LSE are not shifted to customers that continue to receive service from the IOUs.[14]

3. Issues Before the Commission

The issues scoped in this matter are:

1. The August 1, 2023, ruling defined fixed generation costs as "costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation."

   a. Should the Commission modify this definition? Why or why not?

   b. Which fixed generation costs could and should be consistent across the three large IOUs that are respondents to this proceeding?

   c. Should a methodology be adopted by which utilities shall determine fixed generation costs? If so, how should the methodology be developed.

2. Should the utilities be required to report shifts in different fixed cost categories as defined in the August 1, 2023, ALJ Ruling more frequently than they currently do?

[13] All future references to code in this decision refer to Public Utilities Code.

[14] Pub. Util. Code §§366.2 (c) 5, 20, and 21.

a. If so, how frequently should a shift in cost categories be measured?

b. What metrics should be used to measure a shift in cost categories?

3. Should the Commission adopt any other rules related to fixed costs to ensure that these costs are fairly recovered?

4. Are there potential impacts on environmental and social justice communities? Could any changed reporting requirements regarding IOUs' fixed generation costs impact the achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan?

4. Fixed Generation Costs Discussion and Analysis

The Commission proposed a specific definition of fixed generation costs in the August 1, 2023, ALJ Rulings, and the October 11, 2024, Amended Scoping Memo:

> Costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation.

Parties' responses to the August 1, 2023, Ruling, PHC statements, testimony, and briefs, suggest the definition of fixed generation costs proposed in the October 11, 2024, Amended Scoping Memo and Ruling is appropriate and should be adopted.[15]

As discussed below, parties agree there is no need for incremental record development or additional reporting requirements. While parties are at odds about whether the Commission should adopt a more consistent approach across the utilities related to costs other than what was proposed in the Commission's

[15] The definition provided in the Amended Scoping Memo and Ruling is identical to that proposed in the August 1, 2023, Ruling.

proposed definition of Fixed Generation Costs, parties have concurred that those issues may be better addressed in one or more future proceedings.

4.1. Party Testimony Related to the Scope of the Instant Proceeding

4.1.1. PG&E

PG&E argues the Commission should not adopt a consolidated definition of fixed generation costs for the large electric utilities at this time.[16] PG&E states its energy supply administration (ESA) common costs should be recovered through its legacy utility-owned generation vintaged PCIA subaccount, traced within its Portfolio Allocation Balancing Account (PABA), based on forecasted customer sales rather than the current net revenue requirement basis. PG&E also states that its activities in the California Independent System Operator (CAISO) market do not change if its owned generation resources are above or below market rates, so allocating costs based on the revenue requirement of the generation resource(s) is inappropriate.[17]

Lastly, PG&E requests the Commission clarify how PG&E can treat Resource Adequacy capacity that is not able to provide power because it is not operating for some period of time. PG&E asks the Commission to provide guidance on this issue so it can ensure that bundled service customers do not disproportionately bear the burden of costs for its PCIA-eligible portfolio.[18]

PG&E's Opening Brief states that, while it raised concerns about specific bundled service customer cost shifts in its service territory in its PHC statement,

[16] PG&E PHC Statement dated January 5, 2024, and Opening Brief dated February 3, 2025, at 8.

[17] PG&E Reply Brief dated February 18, 2025, at 2-4.

[18] PG&E response to the August 1, 2023, Ruling at 4, PG&E PHC Statement dated January 5, 2025, at 6-11.

the Commission declined to address these types of IOU-specific matters given the differences across PG&E, SCE, and SDG&E.[19] PG&E notes that the scope of this consolidated proceeding is limited and states that the "2024 ERRA Track 2 record supports the continuance of existing cost recovery mechanisms for the purpose of fixed generation cost allocation, cost recovery, and reporting requirements."[20]

PG&E also argues that the record does not support any need for the Commission to reexamine issues related to ESA cost allocation practices.[21] PG&E noted that the Commission adopted findings in D.24-12-038 that the cost shift identified with PG&E's methodology used to allocate common costs would be remedied in the revised proposal that aligns PG&E's methodology with SCE's common cost allocation methodology.[22]

4.1.2. SDG&E

On January 5, 2024, SDG&E filed a PHC statement suggesting the Commission consider changes to how it accounts for its Competitive Transmission Charge (CTC) costs in track two of this proceeding. It proposed consideration of recording the difference between actual revenues against actual costs associated with CTC, rather than the existing practice that uses a market benchmark proxy.[23]

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[19] PG&E Opening Brief dated February 3, 2025, at 6-7, and footnote 17.

[20] PG&E Opening Brief dated February 3, 2025, at 7.

[21] PG&E Reply Brief dated February 18, 2025, at 2-4

[22] PG&E Reply Brief dated February 18, 2025, at 3-4, citing D.24-12-038 at 30-34, at 67, and Findings of Fact 3 and 4; and Conclusion of Law 2.

[23] SDG&E PHC Statement dated January 5, 2025, at 1-2.

Separately, SDG&E suggested that the current process of using a market benchmark proxy to determine how above-market costs are to be recovered in its Transition Cost Balancing Account (TCBA) is not accurate because it could shift costs between bundled and unbundled customers if its CAISO revenues are less than the forecasted costs. No other party raised similar concerns about SDG&E's CTC or TCBA costs in their January 5, 2024, PHC statements.

SDG&E stated that it believes the definition provided in the August 1, 2023, ALJ Ruling, should not be modified, and that no additional methodology for determination of costs is necessary for the Commission's definition of fixed generation costs.[24] SDG&E also argued that "all parties to the proceeding agree that utilities should not be required to report shifts in different fixed cost categories more frequently than they currently do," and that "no party has raised any issues with respect to potential impacts on environmental and social justice communities in connection with this proceeding."[25]

4.1.3. SCE

SCE has consistently argued that the outstanding issues raised in the August 1, 2023, ALJ ruling are not relevant across utilities, and that SCE's fixed generation costs are already clearly tracked in its ERRA filings.

SCE directly objected to adopting a standard definition of Fixed Generation Costs at this time. SCE argued that after the withdrawal of AReM's testimony on ESA costs, no party in this proceeding is proposing a change in accounting treatment based on the definition, and there is neither a pending

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[24] SDG&E Opening Brief dated February 3, 2025, at 5, and footnote 11.

[25] SDG&E Opening Brief dated February 3, 2025, at 5 and 6, citing SDGE-18 at 2, Exhibit AReM-01 at 9; Exhibit CCA-01 at 11; Exhibit PG&E-07at 9; and Exhibit SCE-09 at 6.

controversy nor any foreseeable application prompting the need for a definition of Fixed Generation Costs.[26]

SCE agreed that the Commission need not require additional, new reporting related to fixed generation costs, and stated that no party has raised any potential impacts of this proceeding on environmental or social justice communities.[27]

4.1.4. Community Choice Aggregator and Direct Access Advocates

The CalCCA, SDCP, and CEA (together, the CCA Parties) requested the second track of the three ERRA forecast proceedings be consolidated for the sole purpose of developing a consistent definition of fixed generation costs.[28] The CCA Parties also recommended the Commission should address the issues raised in SCE's petition for modification of D.23-06-006, which focuses on the valuation of the large electric utilities banked renewable energy certificates. The CCA Parties acknowledge that the "last bundled customer" scenario that was the basis of the immediate discussion about addressing how to account for fixed generation costs is "extreme and highly unprobeable."[29] The Direct Access Customer Coalition (DACC) separately requested that the proceedings be consolidated and asked whether or how the fixed generation costs should be recovered from all customers.[30]

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[26] Exhibit SCE-09 at 4; SCE Opening Brief dated February 3, 2025, at 6.

[27] SCE Opening Brief dated February 3, 2025, at 9-10.

[28] CCA Parties PHC Statement dated January 5, 2024, at 17. SDCP and CEA were granted party status to A.23-05-012, as consolidated with A.23-07-012, and A.23-06-001, on March 20, 2024, and refiled their PHC statements in those proceedings and A.23-05-013 on March 26, 2024.

[29] Exhibit CCA-01 at 9.

[30] DACC PHC Statement dated January 5, 2024, at 1-2.

4.1.5. Discussion Regarding Items Out of Scope

The October 11, 2024, Amended Scoping Memo directly declined to address issues related to re-vintaging of utility-owned generation resources, including, but not limited energy supply procurement contracts and/or resource adequacy contracts, or issues related to the valuation of banked renewable energy credits in this consolidated Track 2 ERRA Forecast proceeding. The Commissioner found that those specific items would be better addressed in separate proceedings because they are not related to the issues raised in the August 1, 2023, ALJ Rulings.[31] We therefore decline to consider issues related to re-vintaging of utility-owned generation resources, including but not limited to energy supply procurement contracts and/or resource adequacy contracts, or issues related to the valuation of banked renewable energy credits in this consolidated Track 2 2024 ERRA Forecast proceeding. As noted by PG&E and SDG&E, issues related to their ESA cost allocation were addressed in separate proceedings.[32] PG&E's PHC Statement sought Commission review of proposed changes to its common cost allocation methodology and banked renewable energy credits.[33] We find that these suggested changes are directly related to the PCIA and would be better addressed in a separate proceeding.

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[31] October 11, 2024, Amended Scoping Memo at 6.

[32] PG&E Reply Brief dated February 18, 2025, at 2-4; SDG&E Reply Brief dated February 18, 2025, at 2-3.

[33] PG&E PHC Statement dated January 5, 2025, at 6.

4.2. Frequency of IOU Reporting

Parties to this proceeding agree that it is not necessary for the IOUs to report shifts in different fixed cost categories more frequently than they are currently required.[34] As PG&E states clearly:

> There are several existing reporting requirements for the IOU's generation-related portfolio costs, which include fixed generation costs. Specifically, the IOUs all submit ERRA and [Portfolio Allocation Balancing Account] (PABA) balancing account reports to the Commission monthly; and also submit extensive testimony, workpapers, and master data request responses annually to the Commission and interested parties in the ERRA Forecast and ERRA Compliance Review proceedings.[35]

We agree that the monthly filings and formal annual applications review both forecast and actual portfolio costs, as well review each IOUs' procurement activity to ensure compliance with Commission directives.

4.3. Common Cost Allocation Issues Beyond Fixed Generation Costs

Most parties to this proceeding also agree that, should the Commission determine a broader discussion regarding common cost allocation issues is necessary, it could occur in a separate proceeding.[36],[37]

The IOUs do not see the need for the Commission to consider any new methodologies for determining fixed generation costs or other common cost

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[34] SDG&E Opening Brief dated February 5, 2025, at 5; Exhibit CCA-01 at 4-5; Exhibit PGE-07 at 9; Exhibit SCE-09 at 5; AReM Opening Brief dated February 5, 2025, at 4.

[35] Exhibit PGE-07 at 9.

[36] CalCCA, SDCP, CEA Joint Opening Brief dated February 5, 2025, at 8.

[37] SDG&E Reply Brief dated February 18, 2025, at 5-6; SCE Reply Brief dated February 18, 2025, at 2; PG&E Reply Brief dated February 18, 2025, at 2-4.

allocation issues.[38] The CCA parties and AReM suggest that these separate issues should be addressed, but not in this proceeding.

The specific items SDG&E and PG&E raised in their PHC statements, as discussed above, would be better addressed in separate proceedings, because each utility's requests raised in their PHC filings were not directly responding to the August 1, 2023, ALJ rulings, and were not scoped into the Amended Scoping Memo and Ruling.

AReM argues that the Commission should adopt three broad categories of fixed generation costs to address the allocation of revenue being considered in this proceeding.[39] Specifically, AReM suggests that:

1. "Direct fixed costs" are associated with utility owned generation, and those costs are established in each IOU's general rate case.
2. "Non-energy costs" are specified in power purchase agreements and should be allocated using the cost allocation method adopted for bundled rates and within the PCIA for non-bundled customers.
3. "Unassociated fixed costs," such as PG&E's ESA and SCE's energy procurement and management costs, should still be considered "fixed generation costs."[40]

AReM agrees that its concerns are out of scope for this proceeding, but states that they must be addressed in a future consolidated proceeding.[41] We also agree that AReM's concerns may be better addressed in a future proceeding.

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39 AReM Opening Brief dated February 5, 2025, at 2-5.

40 AReM Opening Brief dated February 5, 2025, at 2-3.

41 AReM Opening Brief dated February 5, 2025, at 4.

4.4. Environmental and Social Justice Issues

Parties to this proceeding provide statements suggesting that environmental and social justice (ESJ) communities will not face adverse impact if the Commission's proposed definition of fixed generation cost is adopted.[42] We agree. The adoption of a definition of fixed generation costs will not adversely affect ESJ communities.

4.5. Last Bundled Customer Considerations

The August 1, 2023, Ruling noted differences in the processes each large electric utility uses to track and seek recovery of fixed costs as customers choose to enroll in other load-serving entities' options, and the potential for bundled customers to see adverse rate impacts by covering costs that do not align with the amount of energy a bundled or unbundled customer receives from the large electric utility, or the time the large electric utility's generation operates to serve load.

The August 1, 2023, Ruling not only directed the large electric utilities and parties to A.23-05-012/A.23-07-012, A.23-05-013, and A.23-06-001, to provide details on what costs are considered fixed costs, but what cost each large electric utility's last bundled customer would face if all other customers shifted to alternative load-serving entities.

Each utility argued that it is unreasonable to set any policy based on the "hypothetical lone bundled customer" and argued for separate issues beyond those associated with the fixed cost generation definition adopted herein to be addressed in separate proceedings. When asked for specific information, each

[42] AReM Opening Brief dated February 3, 2025, at 4; PG&E Opening Brief dated February 3, 2025, at 10-11; SCE Opening Brief dated February 3, 2025, at 9-10, citing Exhibit PGE-07 at 11; SDG&E Opening Brief dated February 3, 2025, at 6.

utility replied that the "last remaining bundled service customer" costs can only reflect what they defined as fixed generation costs when they filed their 2024 ERRA forecast application.[43]

The concern here is not that there will be one last bundled customer that will face bearing the full fixed generation costs for any of the large electric utilities. Instead, the Commission is defining "fixed generation costs" so that customers that choose to continue to receive electric service from a large electric utility regulated by the Commission are not bearing incremental costs associated with the customer load that has shifted to other LSEs, pursuant to Pub. Util. Code §366.1. We agree that it is unreasonable to set policy based on the concept that there would be one last bundled customer for any or all of the large electric utilities.

Other issues related to the PCIA and other common cost-related issues may be addressed in a separate Commission proceeding (or proceedings).

5. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. No public comments were filed related to the issues raised in the Amended Scoping Memo and Ruling as of June 17, 2025.

[43] SCE Opening Comments on the August 1, 2023, Ruling at 3-4; PG&E Opening Comments on the August 1, 2023, Ruling at 3-5; SDG&E Opening Comments on the August 1, 2023, Ruling at 3-5.

6. Conclusion

This decision defines fixed generation costs as "costs which do not rise and fall based on the amount of electricity customers use, or how long the large investor-owned electric utility's portfolio of generation resources operate." Other issues related to generation and distribution costs may be addressed in other Commission proceedings.

7. Procedural Matters

This decision affirms all rulings made by the Administrative Law Judge and assigned Commissioner in this consolidated proceeding. All motions not ruled on are deemed denied.

8. Comments on Proposed Decision

The proposed decision of ALJ Carrie Sisto was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on __________, and reply comments were filed on _____________ by ________________.

9. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Carrie Sisto is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The large electric utilities' fixed generation costs have not decreased over time in an amount comparable to the amount of load that is being served by other LSEs.

2. The definition of "fixed generation costs" currently varies broadly across the large electric utilities when filing their ERRA Forecast Proceeding applications.

Conclusions of Law

1. "Costs which do not rise and fall based on the amount of electricity customers use, or how long the large electric utilities' portfolios of generation resources operate" is an effective definition of "fixed generation costs."

2. Adopting a uniform definition of fixed generation costs will streamline future evaluation of large electric utilities' ERRA Forecast Proceeding applications.

3. Adopting a uniform definition of fixed generation costs will not adversely affect ESJ communities.

4. Other issues related to PCIA calculations should be evaluated in a separate Commission proceeding (or proceedings).

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company must ensure the fixed generation costs identified in all future Energy Resource Recovery Account applications are defined as "costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation."

2. Applications 23-05-012, 23-05-013, 23-06-001, and 23-07-012 are closed.

This order is effective today.

Dated _____, at San Francisco, California