BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
01/12/26
04:59 PM
A2505011

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2026 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation.	Application 25-05-011
Expedited Application of Pacific Gas and Electric Company Pursuant to the Commissions Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism. (U39E).	Application 25-09-015 CONSOLIDATED

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S APPLICATION FOR REHEARING OF DECISION APPROVING PACIFIC GAS AND ELECTRIC COMPANY'S 2026 ENERGY RESOURCE RECOVERY ACCOUNT RELATED FORECAST REVENUE REQUIREMENT AND 2026 ELECTRIC SALES FORECAST

PUBLIC VERSION

Leanne Bober,
Director of Regulatory Affairs and
Deputy General Counsel

CALIFORNIA COMMUNITY CHOICE ASSOCIATION
1121 L Street, Suite 400
Sacramento, CA 95814
Telephone: (510) 980-9459
E-mail: regulatory@cal-cca.org

Nikhil Vijaykar
Tim Lindl
KEYES & FOX LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (408) 621-3256
E-mail: nvijaykar@keyesfox.com
tlindl@keyesfox.com

Counsel to
CALIFORNIA COMMUNITY CHOICE ASSOCIATION

January 12, 2026

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Commission Decisions

Commission Rules of Practice and Procedure

SPECIFICATION OF ERROR

By setting PCIA[1] rates based on a 2025 PCIA revenue requirement that incorporates the new methodology to calculate the 2025 Final RA MPB, and by adopting PG&E's proposal to assign zero value to the pre-2019 banked RECs it uses in 2025 and 2026 for bundled customer RPS compliance, the Commission commits at least eight legal errors in D.25-12-027 for which the Commission should grant rehearing. The Commission:

× Fails to act within its power or jurisdiction by implementing a rate retroactively, despite the fact that the rate: (1) was set after the consideration of many variables to formulate broad policy regarding indifference, and the rate-setting involved more than ministerial calculations involving actual costs that could be readily determined by reference to the utilities' ledgers; and (2) resulted in significant impacts to LSEs and customers that would not have occurred in the ordinary course of events. The Commission's failure subjects the Decision to reversal on appeal under Public Utilities Code Section 1757(a)(1).[2]

× Fails to proceed in the manner required by law by implementing a rate retroactively in violation of Section 728, despite the fact that the rate: (1) was set after the consideration of many variables to formulate broad policy regarding indifference, and the rate-setting involved more than ministerial calculations involving actual costs that could be readily determined by reference to the utilities' ledgers; and (2) resulted in significant impacts to LSEs and customers that would not have occurred in the ordinary course of events. The Commission's failure subjects the Decision to reversal on appeal under Section 1757(a)(2).

× Fails to support the Decision with findings by presenting vague conclusions regarding the implications of the new methodology to set the RA MPB and the retroactive nature of the Commission's actions. The Commission's failure subjects the Decision to reversal on appeal under Section 1757(a)(3).

× Abuses its discretion by refusing to consider—and denying itself the ability to even be presented with—the impact of its decision, and arbitrarily and capriciously applies the new RA MPB methodology retroactively despite the evidence, reasoning, and economic implications militating against such a decision. The Commission's abuse of discretion subjects the Decision to reversal on appeal per Section 1757(a)(5).

× Fails to act within its power or jurisdiction, and fails to proceed in the manner required by law by valuing any RECs banked before 2019 and used towards bundled customer compliance in 2025 and 2026 at $0, depriving customers who departed bundled service after those RECs were banked with the value of those RECs in violation of Sections

[1] Acronyms used herein are defined in the body of this document.

[2] All subsequent code sections cited herein are references to the California Public Utilities Code unless otherwise specified.

365.2, 366.3, 366.2 (a)(4), and 366.2(g) and the indifference principles reflected therein. The Commission's failure subjects the Decision to reversal on appeal under Section 1757(a)(1) and (a)(2).

× Fails to support its decision to adopt PG&E's pre-2019 banked REC valuation methodology with adequate findings. The Commission's failure subjects the Decision to reversal on appeal under Section 1757(a)(3).

× Fails to support the finding that it is "reasonable" to adopt PG&E's pre-2019 banked REC valuation with substantial evidence in light of the whole record. The Commission's failure subjects the Decision to reversal on appeal under Section 1757(a)(4).

× Abuses its discretion by adopting PG&E's pre-2019 banked REC valuation methodology without evidentiary support, and by arbitrarily and capriciously departing from its past practice of requiring PG&E to value pre-2019 banked RECs at the RPS MPB. The Commission's abuse of discretion subjects the Decision to reversal on appeal per Section 1757(a)(5).

On these grounds, CalCCA respectfully request that the Commission grant rehearing, direct PG&E to value the pre-2019 banked RECs it uses towards bundled customer compliance in both 2025 and 2026 at the applicable RPS MPB, and permit a consolidated oral argument with San Diego Community Power and Clean Energy Alliance's Application for Rehearing of D.25-12-008 and CalCCA's Application for Rehearing of D.25-12-028.

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 2026 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation.	Application 25-05-011
Expedited Application of Pacific Gas and Electric Company Pursuant to the Commissions Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism. (U39E).	Application 25-09-015 CONSOLIDATED

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S APPLICATION FOR REHEARING OF DECISION APPROVING PACIFIC GAS AND ELECTRIC COMPANY'S 2026 ENERGY RESOURCE RECOVERY ACCOUNT RELATED FORECAST REVENUE REQUIREMENT AND 2026 ELECTRIC SALES FORECAST

Pursuant to Public Utilities Code Section 1731(b)(1) and Rule 16.1 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure,[3] the California Community Choice Association (CalCCA)[4] submits this Application for Rehearing (AFR) of Decision (D.) 25-12-027 (D.25-12-027 or the Decision).[5] The Commission approved the Decision on December 18, 2025, and issued the Decision on December 23, 2025. Commission

[3] State of California Public Utilities Commission, *Rules of Practice and Procedure, California Code of Regulations Title 20, Division 1, Chapter 1* (May 2021), available at https://webproda.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/rules-of-practice-and-procedure-may-2021.pdf.

[4] California Community Choice Association (CalCCA) represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

[5] D.25-12-027 (Dec. 18, 2025).

Rule 16.1(a) requires that an AFR be filed within 30 days of the date the Commission mails the decision. This AFR is timely filed.

I. INTRODUCTION

The Power Charge Indifference Adjustment (PCIA) rate is meant to ensure that bundled customers remain "indifferent" to the departure of unbundled customers. To do that, PCIA rates are set to recover any above-market costs of resources procured to serve those customers before they departed bundled service. In D.25-12-027, the Commission sets unlawful PCIA rates in two ways that have the effect of harming unbundled customers (including customers that receive electric service from community choice aggregators (CCA)). ***First***, the Commission approves Pacific Gas and Electric Company's (PG&E) unlawful retroactive application of a new methodology to calculate the value of its Resource Adequacy (RA) generation portfolio in 2025. ***Second***, the Commission approves PG&E's unlawful proposal to deny departed customers their fair share of the value of Renewable Energy Credits (RECs) generated prior to 2019 and used towards bundled customer compliance in 2025 or 2026.

With respect to PG&E's RA valuation proposal, PG&E originally forecast the 2025 value and cost of its PCIA portfolio resources in its 2025 Energy Resource Recovery Account (ERRA) Forecast case.[6] In that case, PG&E calculated the RA capacity value of its generation portfolio using a Forecast RA Market Price Benchmark (MPB) calculated based on a settled methodology approved by the Commission in D.18-10-019 and D.19-10-001. State law and the PCIA framework, as modified by these decisions, require PG&E to true-up the RA value of its portfolio in this 2026 ERRA Forecast proceeding using a Final RA MPB calculated using the same methodology.

That did not happen.

Instead, in June 2025, the Commission issued D.25-06-049, which changed the methodology the Commission would use for calculating the value of the RA MPB. In addition to changing the methodology prospectively, D.25-06-049 required that the new methodology be used to calculate the 2025 Final RA MPB, which PG&E proposed to do in the instant proceeding, despite the fact that PG&E was already collecting PCIA rates calculated using the

---

[6] Application (A.) 24-05-009, *Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2025 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (U39E)* (May 15, 2024).

prior *methodology*. D.25-12-027 approves PG&E's proposal and adopts PCIA rates calculated using the 2025 Final RA MPB (calculated under the new methodology) to value the capacity provided by PG&E's generation resources in 2025. That value flows into the 2025 PCIA revenue requirement. That revenue requirement forms the basis of the 2026 PCIA rates D.25-12-027 adopts. Therefore, there has been no true-up this year of forecasted 2025 PCIA rates. Instead, there has been an unlawful retroactive ratemaking.

CalCCA sought rehearing of D.25-06-049 on the grounds that it constitutes unlawful retroactive ratemaking in violation of Public Utilities Code Section 728, as interpreted by the California Supreme Court in *Southern Cal. Edison Co. v. Pub. Util. Comm'n* (1978) 20 Cal.3d 813 (*Edison*). The Commission and investor-owned utilities (IOUs) have put forward other interpretations of the relevant court decisions interpreting Section 728, but those interpretations either misstate the relevant cases or are so narrow as to render the statute meaningless. The Commission rejected CalCCA's AFR of D.25-06-049 in D.25-10-061. CalCCA subsequently filed a Petition for Writ of Review in the Third Appellate District, alleging that D.25-06-049's directive to retroactively apply the new methodology for calculating the RA MPB to 2025 rates constitutes unlawful retroactive ratemaking.[7]

Meanwhile, the Commission issued this Decision in PG&E's 2026 ERRA Forecast proceeding, where the Commission sets the 2025 PCIA revenue requirement and resulting rates. By approving PG&E's proposal to retroactively apply a new methodology to calculate the value of its RA portfolio in 2025, the Decision errs in at least four ways.

First, D.25-12-027 results in the Commission acting outside of its powers and jurisdiction (*i.e.,* is an *ultra vires* act) and failing to proceed in the manner required by law in violation of Sections 1757(a)(1) and (2). Second, D.25-12-027 and D.25-06-049 violate Sections 1757(a)(1) and (2) as together they constitute a course of conduct that violates Section 728's prohibition on retroactive general ratemaking. Third, D.25-12-027 is unlawful and erroneous because it approves the retroactive application of the new RA MPB methodology with only a series of broad findings that do not adequately or logically support the Commission's conclusions or reflect adequate consideration of the substantial economic impact of its decision on departed

[7] *See California Community Choice Association v. California Public Utilities Commission,* Case No. C105174 (Cal. Court of Appeal, Third Appellate District) (filed Dec. 1, 2025) (CalCCA D.25-06-049 Appeal).

customers, in violation of Section 1757(a)(3). Fourth, the Commission abused its discretion and acted arbitrarily and capriciously in approving the retroactive implementation of the new RA MPB methodology in this case, in violation of Section 1757(a)(5). It relied on erroneous factual and legal conclusions, and refused to permit parties, ratepayers, or the Commission itself the opportunity to precisely calculate the substantial economic impact of the change to the RA MPB methodology.

In addition to approving PG&E's unlawful RA valuation proposal resulting in unlawful retroactive ratemaking, the Commission also errs by unlawfully adopting PG&E's proposal to assign zero value to the pre-2019 banked RECs PG&E uses to satisfy its bundled customer Renewables Portfolio Standard (RPS) compliance obligations in 2025 and 2026. By adopting that proposal, the Commission violates California law mandating bundled and unbundled customer indifference, including Sections 366.2(a)(4), 365.2 and 366.3. The Commission also violates Section 366.2(g), which requires that PG&E provide departed customers the *value* of any benefits associated with PG&E's PCIA resources that remain with bundled service customers. As PG&E's witness Barry admitted during hearing in this case, the departed customers who previously paid for a portion of the banked RECs PG&E now seeks to use neither benefit from the use of the banked RECs nor receive a credit for PG&E's use of those banked RECs towards bundled customer compliance. This outcome plainly violates Section 366.2(g).

Moreover, by adopting PG&E's proposal, the Commission violates the settled indifference framework it has established over the past two decades via its decisions applying the law, including decisions addressing the Renewables Portfolio Standard (RPS) value of the IOUs' portfolios beginning with D.11-12-018. The indifference framework requires PG&E to value RECs used by bundled customers at the RPS MPB when calculating PCIA rates. D.19-10-001 introduced several changes to the PCIA framework but left intact an important piece of the settled indifference framework: if RECs are used towards bundled customers' compliance, departed customers must receive value for those benefits retained by bundled customers via a credit to the PCIA at the RPS Adder. By failing to convey that value, and by adopting PG&E's banked REC valuation proposal, the Decision errs in at least the following four ways.

First, the Commission errs by failing to act within its power or jurisdiction as required by Section 1757(a)(1) and fails to proceed in the manner required by law as required by Section 1757(a)(2) by valuing any RECs banked before 2019 and used towards bundled customer

compliance in 2025 at $0, depriving customers who departed after those RECs were banked of their value in violation of Sections 365.2, 366.3, 366.2 (a)(4), and 366.2(g) and the indifference principle reflected therein. Second, the Commission errs by failing to support its decision to adopt PG&E's pre-2019 banked REC valuation methodology with adequate findings, as required by Section 1757(a)(3) of the Public Utilities Code. Third, the Commission errs by failing to support the finding that it is "reasonable" to adopt PG&E's pre-2019 banked REC valuation methodology with substantial evidence in light of the whole record, as required by Section 1757(a)(4). Finally, the Commission errs by abusing its discretion through the adoption of PG&E's pre-2019 banked REC valuation methodology without evidentiary support, and by arbitrarily and capriciously departing from its past practice of requiring PG&E to value pre-2019 banked RECs at the RPS MPB.

As a result of the significant legal errors described herein, the Commission should therefore grant rehearing of D.25-12-027. Due to the complexity of the issues raised in this AFR, their importance, their relationship to similar issues raised in San Diego Gas and Electric Company's (SDG&E) and Southern California Edison Company's (SCE) 2026 ERRA Forecast cases, and the considerable public interest they have generated, the Commission should set a consolidated oral argument for this Application for Rehearing and the AFRs in SDG&E's and SCE's 2026 ERRA Forecast cases.

II. STANDARD OF REVIEW

Per Commission Rule 16.1(c) and Section 1732, an AFR must set forth specifically the grounds on which a decision in question is "unlawful or erroneous." The purpose of an AFR is "to alert the Commission to a legal error, so that [it] may correct it expeditiously"[8] and to "provide[] the Commission with sufficient notice to respond to [the] claims."[9] CalCCA therefore refers the Commission to the following specific portions of the Decision that are unlawful and erroneous:

Location in Decision	Unlawful or Erroneous Statement
Section 3.3	"PG&E's proposed forecast for its 2026 PCIA revenue requirement is $1.098 billion. We have reviewed this forecast and find that it is reasonable."

[8] Commission Rule 16.1(c).

[9] *Util. Consumers' Action Network v. Pub. Util. Comm.* (2010) 187 Cal.App.4th 688, 705.

<table>
<tr><th>Location in Decision</th><th>Unlawful or Erroneous Statement</th></tr>
<tr><td>Section 3.3.3</td><td>“D.25-06-049 modified the RA MPB methodology adopted in D.19-10-001 to calculate a single unified RA MPB rather than calculate a separate system, local, and flexible value. The RA Forecast MPB and RA Final MPB are calculated as ordered in D.25-06-049.”</td></tr>
<tr><td>Section 5</td><td>“We find that PG&E’s proposal is reasonable on an interim basis while awaiting a more comprehensive decision on use of banked RECs in a rulemaking.”</td></tr>
<tr><td>Section 5.3</td><td>“Given the expedited nature of ERRA Forecast proceedings, it would not be possible at this time to consider whether and how to apply pre-banked RECs to the specific vintages of customers that were bundled customers at the time the REC was procured but have since departed from IOU service for rates effective January 1, 2026. We therefore find it reasonable to adopt PG&E’s Pre-2019 Banked RECs methodology on an interim basis for the purpose of this decision.”</td></tr>
<tr><td>Finding of Fact (FOF) 5</td><td>“We have reviewed the Power Charge Indifference Adjustment (PCIA) balance of $1,098,402,000 and find that it is reasonable.”</td></tr>
<tr><td>FOF 15</td><td>“We find it reasonable to adopt PG&E’s Pre-2019 Banked RECs methodology on an interim basis for the purpose of this decision.”</td></tr>
<tr><td>Conclusion of Law (COL) 1</td><td>“It is reasonable to approve a gross revenue requirement for 2025 of $4,511,083,000, composed of the following balances in balancing accounts, subject to adjustments in the Annual Electric True-Up process.
<table>
<tr><th>Balancing Account</th><th>Balance (Thousands)</th></tr>
<tr><td>. . .</td><td>. . .</td></tr>
<tr><td>Power Charge Indifference Adjustment (PCIA)</td><td>$1,098,402</td></tr>
<tr><td>. . .</td><td>. . .</td></tr>
<tr><td>Energy Resource Recovery Account (ERRA) – Main</td><td>$2,951,883</td></tr>
<tr><td>. . .</td><td>. . .</td></tr>
</table></td></tr>
</table>

Location in Decision	Unlawful or Erroneous Statement
	<table><tr><td>Gross Revenue Requirement</td><td>$4,511,083</td></tr></table> ”
Ordering Paragraph (OP) 1	“Within 30 days of this decision’s issuance date, Pacific Gas and Electric Company shall file a Tier 1 Advice Letter with tariffs to implement the rates authorized by this decision, effective on the date of the filing of the Advice Letter.”

Commission decisions in ratemaking proceedings such as the instant case are reviewed pursuant to Section 1757.[10] As set forth below, CalCCA respectfully requests rehearing of the Decision’s retroactive application of the redesigned RA MPB, based on the fact that the Commission: (1) acted without, or in excess of, its powers or jurisdiction;[11] (2) has not proceeded in the manner required by law;[12] (3) did not support D.25-12-027 with adequate findings;[13] and (4) abused its discretion.[14]

---

[10] Section 1757(a).

[11] Section 1757(a)(1). The interpretation of statutes that define or circumscribe the Commission’s jurisdiction is a question of law that is subject to *de novo* independent judicial review. *See Center for Biological Diversity, Inc. v. Pub. Util. Comm’n* (2025) 18 Cal.5th 293, 305 (citing *Yamaha Corp. of America v. State Bd. of Equalization* (1998) 19 Cal.4th 1, 7, 8). “A court does not defer to the agency's view of whether the regulation lies within the scope of the lawmaking authority delegated by the Legislature.” *Id.* at 305-06 (citing *Yamaha*, 19 Cal.4th at 11).

[12] Section 1757(a)(2); The Commission fails to “proceed[] in the manner required by law” when it violates its own procedural rules, its own decisions, or applicable statutes. *Calaveras Telephone Co. v. Pub. Util. Comm’n* (2019) 39 Cal.App.5th 972, 983; *see also Southern California Edison Co. v. Pub. Util. Comm’n* (2006) 140 Cal.App.4th 1085, 1104-1106 (interpreting the parallel language in section 1757.1(a)(2): “The commission has not proceeded in the manner required by law”). A failure to proceed in the manner required by law occurs when the Commission fails to correctly apply a legal standard, or relies on an “unreasonable interpretation” of a statute. *See City of Marina v. Board of Trustees of Cal. State Univ.* (2006) 39 Cal.4th 341, 355; *The Utility Reform Network v. Pub. Util. Comm’n* (2014) 223 Cal.App.4th 945, 958.

[13] Section 1757 (a)(3); “[F]indings afford a rational basis for judicial review. . . . The more general the findings, the more difficult it is for the reviewing court to ascertain the principles relied upon by the administrative agency. Even when the scope of review is limited, as in this case . . . findings on material issues enable the reviewing court to determine whether the commission has acted arbitrarily.” *Cal. Motor Transport Co. v. Pub. Util. Comm.* (1963) 59 Cal. 2d 270, 274 (citation omitted).

[14] Section 1757(a)(5); “In determining whether the Commission abused its discretion, [courts] consider ‘whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support.’” *California Community Choice Assn. v. Pub. Util. Comm’n* (2024) 103 Cal.App.5th 845, 856 (citing *Securus Technologies, LLC v. Pub. Util. Comm’n* (2023) 88 Cal.App.5th 787, 803).

CalCCA also requests rehearing of the Decision's approval of PG&E's proposal to assign zero value to RECs banked before 2019 because the Commission: (1) has acted in excess of its powers or jurisdiction[15] and has not proceeded in the manner required by law;[16] (2) did not support its decision with adequate findings;[17] (3) failed to support its findings with substantial evidence in light of the whole record;[18] and (4) abused its discretion.[19]

III. THE COMMISSION SHOULD GRANT REHEARING TO REMEDY THE DECISION'S LEGAL ERRORS RELATING TO THE RA MPB

A. Legal and Factual Background

1. The Commission Adopted PCIA Rates in this ERRA Forecast Proceeding that Implement Prohibited Retroactive Ratemaking

Several Public Utilities Code sections require the Commission to ensure indifference and prevent cost shifts between bundled customers and unbundled customers.[20] To achieve these objectives with respect to a customer departing IOU service for a CCA, the IOUs may recover any net unavoidable electricity costs incurred while the CCA customer was served as an IOU bundled customer.[21] However, the Commission must reduce the amount of estimated "unavoidable [IOU] electricity costs" paid by CCA customers "by the *value* of any benefits that remain with bundled service customers, unless the customers of the [CCA] are allocated a fair and equitable share of those benefits."[22] The PCIA is the tool the Commission adopted

---

15 Section 1757(a)(1), *see* note 12 *supra*.

16 *See* note 13 *supra.*

17 *See* note 14 *supra.*

18 Section 1757(a)(4). A "substantial evidence" analysis considers whether the Commission relies on "such relevant evidence as a reasonable mind would accept as adequate to support a conclusion;" and whether "it is evidence which is reasonable in nature, credible, and of solid value." *Los Angeles County Dept. of Children & Family Services v. Superior Court* (2013) 222 Cal. App. 4th 149. While "it is for the agency to weigh the preponderance of conflicting evidence, consideration of the whole record means the court will not simply "isolate only the evidence which supports the [Commission's] findings and thus disregarded relevant evidence" that tends to undermine them. *See Ponderosa Tel. Co. v. Pub. Util. Comm.* (2019) 36 Cal. App. 5th 999, 1013; *see also Bixby v. Pierno* (1971) 4 Cal.3d 130, 149 n.22. The courts "must consider all relevant evidence in the administrative record including evidence that fairly detracts from the evidence supporting the agency's decision. *County of San Diego v. Assessment Appeals Bd. No. 2* (1983) 148 Cal. App. 3d 548, 554. When making that inquiry, the "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." *Cal. Cmty. Choice Assn. v. Pub. Util. Comm.* (2024) 103 Cal. App. 5th 845, 861 (citing *Securus Technologies, LLC v. Pub. Util. Comm.* (2023)

19 *See* note 15 *supra.*

20 *See* Sections 365.2, 366.1, 366.2, and 366.3.

21 Sections 366.2(d), (f).

22 Section 366.2(g) (emphasis added).

"intend[ing] to equalize cost sharing" between these two groups of customers.[23] The 2026 PCIA level was determined in this proceeding, in part, from the unlawful retroactive application of a revised PCIA ratesetting formula.[24]

a. PG&E's 2025 ERRA Forecast Decision Used the Then-Existing Methodology to Calculate the PCIA Rates that Load-Serving Entities Collected in 2025

In December 2024, the Commission issued D.24-12-038 in PG&E's 2025 ERRA Forecast case. That case approved the PCIA revenue requirement and rates that PG&E collected from unbundled customers throughout the course of 2025.[25] As a part of setting the 2025 PCIA revenue requirement, the Commission calculated the forecast cost and value of the RA resources in PG&E's generation portfolio. When determining the forecast value of this capacity, the Commission multiplied the forecast quantities of RA (that PG&E's portfolio was expected to provide) by the forecast price of those quantities. This forecast price was an administratively generated approximation of the value of the capacity in PG&E's generation portfolio, published by Energy Division in October 2024, called the Forecast RA MPB.[26] Decision 24-12-038 utilized this Forecast RA MPB, which was generated using the then-existing, Commission-approved methodology of calculating the value of RA resources, in its calculation of the PCIA rate collected from customers in 2025.[27]

This Forecast RA value (multiplying Forecast RA quantity by Forecast RA MPB) from PG&E's 2025 ERRA Forecast case was to be trued-up using the Final RA value (multiplying actual RA quantity by Final RA MPB) in this case—PG&E's 2026 ERRA Forecast. Prior to D.18-10-019, the PCIA rate was set only on a forecast basis with no after-the-fact adjustment to the forecasted PCIA revenue requirement for unbundled customers.[28] Decision 18-10-019 approved such an adjustment via the Portfolio Allocation Balancing Account (PABA), a rolling balancing account tracking the difference between costs and revenues used to determine the

---

[23] D.18-10-019 (Oct. 19, 2018) at 3.

[24] D.25-12-027 at Ordering Paragraph (OP) 1, Finding of Fact (FOF) 5, 23, Conclusion of Law (COL) 1, p. 17.

[25] D.24-12-038 (Dec. 20, 2024) at FOF 2, COL 1, OP 1.

[26] Cal. Pub. Util. Comm'n, *Calculation of the Market Price Benchmarks for the Power Charge Indifference Adjustment Forecast and True Up* (Oct. 2, 2024). Available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/community-choice-aggregation-and-direct-access/calculation-of-the-market-price-benchmarks-2024-2025.pdf.

[27] D.24-12-038 at 20-22.

[28] D.18-10-019 at FOF 15-16, COL 16-17.

forecasted PCIA revenue requirement and the actual costs and revenues PG&E realizes during the year related to its PCIA-eligible resource portfolio.[29] Until D.25-06-049, the true-up for 2025 simply would have utilized the same RA MPB methodology to calculate a final value of PG&E's capacity portfolio for that year.

b. D.25-06-049 Retroactively Changed the Methodology for Calculating the Value of RA Midstream Between the 2025 ERRA Forecast and Final Valuations

In June 2025, the Commission issued D.25-06-049, changing the methodology for calculating the RA MPBs. Among other changes, the Commission: (1) combined the existing categories of Local RA, Flex RA, and System RA into a single RA category—calculating one price instead of three; and (2) expanded the set of transactions used to calculate the single RA MPB to a three year period (rather than the one year period previously applicable to Flex and System RA).[30] Decision 25-06-049 required that methodological change be applied for the year 2026 going forward,[31] and CalCCA takes no issue with that prospective application of this new methodology.

However, the Commission also applied that methodological change retroactively to the 2025 Final RA MPB.[32] Decision 25-06-049 specifically instructed Energy Division to calculate the Final 2025 RA MPB using the new methodology,[33] even though Energy Division had used the existing methodology to calculate the Forecast 2025 RA MPB. Energy Division published a 2025 Final RA MPB using the new methodology on October 1, 2025.[34] Energy Division retains the information necessary to publish the Final 2025 RA MPB as calculated using the prior methodology,[35] but to date has refused to publish the Alternate Final 2025 RA MPB or share the

---

29 *Id*. at FOF 15-16, COL 15-17, OP 1-2, 7-8.

30 D.25-06-049 (Jun. 27, 2025) at 17, COL 2, OP 1.

31 *Id*. at COL 10.

32 *Id*. at OP 2 ("The methodology adopted in this decision shall be effective immediately."), COL 10 ("The changes adopted should be applied to the calculation of the 2025 Final and 2026 Forecast RA MPB and all succeeding forecast and final MPB calculations").

33 *Id*. at 30 ("[T]he Energy Division is directed to apply the new methodology in the calculation of the 2025 Final RA MPB and in succeeding forecast and final MPBs").

34 Cal. Pub. Util. Comm'n, *Market Price Benchmark Calculations 2025* (Oct. 1, 2025). Available at https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/community-choice-aggregation-and-direct-access/2025-mpbs.pdf.

35 The RA MPB using the older methodology was calculated using a shorter time-period than was necessary for the new methodology. D.25-06-049, at COL 2 (requiring four years' of calculation for Final RA MPB). Energy Division also still collects—but excludes—affiliate, swap, and (one half of) sleeve

underlying information in a non-public manner that would enable stakeholders to estimate that proxy value.[36] In its briefing preceding D.25-06-049, CalCCA argued that the application of a new RA MPB methodology to the Final 2025 RA MPB calculation constituted unlawful retroactive ratemaking.[37]

c. Decision 25-12-027 Implements D.25-06-049

Decision 25-12-027 states that the RA Final MPB for 2025 was "calculated as ordered in D.25-06-049."[38] The Decision cites to D.25-06-049's Ordering Paragraph 1 directing Energy Division to calculate an RA MPB using the new methodology that was not in place prior to D.25-06-049.[39] Decision 25-12-027 offhandedly notes that this resulted in "some significant revisions to balancing accounts with calculations that use RA MPBs" in the Fall Update, including the PCIA revenue requirement.[40] In testimony and briefing leading to D.25-12-027, PG&E used the Final 2025 RA MPB Energy Division calculated on October 1, 2025, to determine the final 2025 portfolio value, used it as an input to the actual 2025 Indifference Amount, and used it to finalize the 2025 revenue requirement.[41] That finalized revenue requirement was added to a forecasted Indifference Amount for 2026 that resulted in 2026 PCIA rates, as shown below in **Figure 1**.[42]

---

transactions. *Id*. at COL 5 and 8. The Commission still collects information from load-serving entities (LSEs) on their local and flexible RA resources. *See* Cal. Pub. Util. Comm'n, Resource Adequacy Compliance Materials, *2026 Final Local/Flex/CPE Data Collection Template*. Available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/resource-adequacy-homepage/resource-adequacy-compliance-materials.

[36] CalCCA has requested the underlying information informally on at least seven occasions through emails and meetings with Energy Division, as well as requested the information in Rulemaking (R.) 25-02-005. *See, e.g.,* R.25-02-005, *CalCCA's Comments on the Proposed Decision* (Jun. 12, 2025) at 5-6; *CalCCA's Reply Comments on the Order Instituting Rulemaking* (Apr. 2, 2025) at 14-15. CalCCA has acknowledged the confidentiality of at least some of the information and has indicated its willingness to receive the information either anonymized or aggregated. It is also CalCCA's understanding that both Ava Community Energy and Sonoma Clean Power have requested the information through formal Public Records Act Requests. Energy Division has refused to answer, or delayed its answer, to all of these requests.

[37] *See*, *e.g.*, R.25-02-005, *CalCCA's Opening Brief* (Apr. 21, 2025) at 8-16; R.25-02-005, *CalCCA's Reply Brief* (Apr. 30, 2025) at 3-7; R.25-02-005, *CalCCA's Comments on Proposed Decision* (Jun. 12, 2025) at 11-15; R.25-02-005, *CalCCA's Reply Comments on the Proposed Decision* (Jun. 17, 2025) at 4-5.

[38] D.25-12-027 at 17.

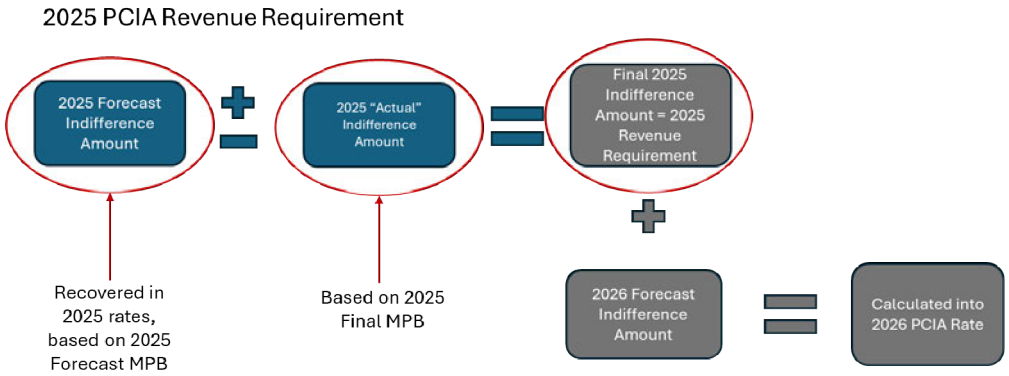
[39] D.25-06-049 at OP 1.

[40] D.25-12-027 at 13-14.

[41] *See* A.25-05-011, CalCCA Comments on PG&E's Fall Update Testimony at 4; PG&E (U 29 E) Fall Update Errata (Nov. 6, 2025), at 3-4, 16.

[42] A.25-05-011, CalCCA Opening Brief at 18. D.25-12-027 at 12-18.

FIGURE 1



In this way, the Commission set PG&E's PCIA rates for 2026 in D.25-12-027 based on two components: (1) the forecasted Indifference Amount, *i.e.*, the difference between the forecasted cost of PG&E's generation portfolio in 2026 and the forecasted market value of PG&E's generation portfolio in 2026; and (2) the final 2025 PCIA revenue requirement based on a year-end balance in the PABA that was calculated using a modified methodology for the RA MPB.[43] The Indifference Amount and the final 2025 PCIA revenue requirement were added together to form the 2026 PCIA revenue requirement, which is used to set the 2026 PCIA rates approved for bundled and unbundled customers in D.25-12-027.[44]

Decision 25-12-027 explains that the Commission reviewed PG&E's PCIA revenue requirement—which, again, incorporates the Final 2025 RA MPB calculated using a methodology that D.25-06-049 changed mid-stream —and found it "reasonable."[45] Based on this conclusion, the Commission authorizes a PCIA revenue requirement of $1,098,402,000.[46] In sum, the Commission adopted PCIA rates in this 2026 ERRA Forecast proceeding that resulted from a retroactive modification to how the RA MPB is calculated, and, in turn, how PCIA rates are set.

---

43 The final December 31, 2025, advice letter implementing the rates approved in D.25-12-027 included actual entries through November 2025. *See* PG&E Advice Letter 7797-E at 1.

44 *See* D.25-12-027 at 12-18; *see also* A.25-05-011, CalCCA Opening Brief at 18.

45 D.25-12-027 at FOF 5, COL 1.

46 *Id*. at COL 1.

2. CalCCA Appealed D.25-06-049's Order to Retroactively Apply the New RA MPB Methodology

After the Commission issued D.25-06-049, CalCCA filed an AFR maintaining its position that the Decision establishes a new ratemaking scheme and applies it retroactively, instead of merely conducting a true-up, which constitutes unlawful retroactive ratemaking.[47] PG&E, SCE, and SDG&E (collectively the Joint IOUs) responded to the AFRs for D.25-06-049.[48] That response erred in several respects by: (1) relying on a reading of *Edison* that erroneously suggests the Commission applied a new fuel clause adjustment retroactively in the underlying proceeding; (2) asserting an interpretation of *Cal. Mfrs. Ass'n v. Pub. Utils. Comm'n* (1979) 24 Cal.3d 251 that ignored subsequent case law continuing to apply *Edison*'s definition of general ratemaking; and (3) applying a narrow definition of "general ratemaking" that none of the Commission's rate-setting proceedings today would meet, including PG&E's most recent Phase I 2025 General Rate Case (GRC).[49]

The Commission denied CalCCA's AFR of D.25-06-049 in D.25-10-061.[50] Decision 25-10-061 briefly stated the Commission's understanding of *Edison* and its progeny.[51] While the Commission relied on a number of mistakes or misunderstandings regarding the facts and application of that precedent, the Commission's ultimate error in D.25-06-049 and D.25-10-061 is its conclusion that modifying the PCIA methodology in the PCIA Rulemaking (R.25-02-005), and then ordering that modification be applied in this proceeding, is not general ratemaking.[52]

On December 1, 2025, CalCCA filed a Petition for Writ of Review with the California Court of Appeal, Third Appellate District, seeking to set aside D.25-06-049 and D.25-10-061. In

---

47 R.25-02-005, *California Community Choice Association's Application for Rehearing of Decision 25-06-049* (July 28, 2025) (CalCCA AFR) at 13-31. Ava Community Energy Authority (Ava) and San Jose Clean Energy (SJCE) also filed an AFR that challenged D.25-06-049 on other grounds. *See* D.25-10-061 (Oct. 31, 2025) at 2.

48 R.25-02-005, *Joint Response of Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U 39-E), and San Diego Gas & Electric Company (U 902-E) on the Applications for Rehearing of Decision 25-06-049* (Aug. 12, 2025) at 7-17 (Joint IOUs' Response to AFRs).

49 *See* A.25-05-009, *Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2027 (U 39 M)*.

50 D.25-10-061 also denied the Ava/SJCE AFR.

51 *Id.* at 6.

52 *See* D.25-06-049 at 29; D.25-10-061 at 6.

that Petition, CalCCA seeks among other relief that D.25-06-049 and D.25-10-061 be set aside on the basis that the Commission violated the prohibition against retroactive ratemaking.[53]

B. By Developing and Utilizing a New RA MPB Methodology to Establish the 2025 PCIA Revenue Requirement, the Commission Acted in Excess of its Power and Jurisdiction, and Failed to Proceed in a Manner Required by Law

1. Decision 25-12-027 is Unlawful Because it Establishes PCIA Rates that Implement and Perpetuate an Unlawful Decision

"An agency that exceeds the scope of its statutory authority acts *ultra vires* and the act is void."[54] Subsequent acts taken in furtherance of the agency's unauthorized activity are themselves *ultra vires* and unlawful.[55] Here, D.25-12-027 is unlawful because it implements and perpetuates an unlawful decision.

D. 25-06-049 is an unlawful decision. Section 728 grants the Commission the authority to "fix, by order," the "just, reasonable, or sufficient rate, classifications, rules, practices, or contracts to be *thereafter* observed and in force."[56] The California Supreme Court directs that Section 728 limits the Commission's jurisdiction by prohibiting ratemaking from being applied retroactively.[57] Significantly, Section 728 applies not only to rates themselves, but also to "rules" or "practices" affecting the rates—including methods for calculating rates such as rate-setting formulas.[58]

---

[53] *See* CalCCA D.25-06-049 Appeal, Petition for Writ of Review (Petition), at 49, Memorandum of Points and Authorities (MPA) at 19. CalCCA also argues that D.25-06-049's retroactive application of the new methodology was not supported by adequate findings or substantial evidence in the record. *Ibid.*

[54] *Water Replenishment Dist. of So. Cal. v. City of Cerritos* (2012) 202 Cal.App.4th 1063, 1072.

[55] *Turlock Irrigation Dist. v. Hetrick* (1999) 71 Cal.App.4th 948, 951 (holding that the provision of natural gas exceeds the scope of power granted to irrigation districts, and therefore acts taken in furtherance of this unauthorized activity, such as the execution of gas supply, would be *ultra vires*); *see also Carr v. Kamins* (2d Dist. May 31, 2007) 151 Cal. App. 4th 929, 933 ("If a judgment is void, an order giving effect to the void judgment is subject to appeal even if the underlying judgment was also appealable); *MaJor v. Miraverde Homeowners Assn.* (1992) 7 Cal.App.4th 618, 628 (in an analogous context, concluding that where an association exceeds its scope of authority granted to it, any rule or decision resulting from such an *ultra vires* act is invalid, "whether or not it is a 'reasonable' response to a particular circumstance").

[56] Section 728 (emphasis added). CalCCA also argued that the Commission committed other reversible errors by: (1) failing to harmonize Section 728 with Sections 365.2, 366.1, 366.2, and 366.3; (2) basing its Decision on insufficient evidence in light of the whole record; and (3) issuing a Decision when the findings do not support the conclusion. R.25-02-005, CalCCA AFR at 31-35.

[57] *Pacific Tel. & Tel. Co. v. Pub. Utils. Comm'n* (1965) 62 Cal.2d 634, 650-652 (*Pacific Tel.)*; *Edison,* 20 Cal.3d 813, 817-818 (1978) (reaffirming *Pacific Tel.'s* conclusion that "*general rate making* is legislative in character and looks to the future" (emphasis added)).

[58] *See City of Los Angeles v. Pub. Util. Comm'n* (1975) 15 Cal.3d 680, 697 (*City of Los Angeles II)* (acknowledging that a rate-setting formula may be validly included as part of a rate).

In *Edison,* the Court observed that "before there can be retroactive ratemaking there must at least be *ratemaking*."[59] The Court summarized the hallmarks of "general ratemaking" to be that: (1) the Commission considered "many variables" and formulated "broad policy" in its setting of the "general rates"; and (2) the Commission's action had a significant financial impact on customers and load-serving entities (LSEs) affected that would not have otherwise occurred.[60] In contrast, the Court clarified that the ministerial and semi-automatic calculation of rates using approved formulas and actual costs that could be calculated with reference to the utilities' ledgers did *not* constitute general ratemaking.[61]

In D.25-06-049*,* the Commission's process of setting the RA MPB methodology easily cleared the first *Edison* hurdle. The Commission took many variables into account to formulate broad ratemaking policy, including the key questions of how to determine: (1) the value of the utilities' portfolios of generation assets; and (2) the relative cost share of above-market generation costs between bundled and departed customers.[62] Decision 25-06-049 itself summarized that "questions that predominate this track of the [rulemaking] are of *policy.*"[63]

As for the second *Edison* hurdle—causing a significant economic impact that would not have occurred in due course—the substantial impact presaged in CalCCA's AFR of D.25-06-049 has now come to pass in rates approved by D.25-12-027.[64] In *Edison*, the Court emphasized how the Commission's decision under review simply balanced over-collections or under-collections for fuel costs that would have naturally balanced themselves under the weather averaging method used in the original methodology.[65] The Court held that the Commission's order therefore left the utility no worse and no better off than if the Commission had not ordered the refunds.[66]

---

59 *Edison*, 20 Cal.3d at 817 (emphasis in original).
60 *Id*. at 828-830.
61 *Ibid*.
62 *See* R.25-02-005, CalCCA AFR at 19-22.
63 D.25-06-049 at 10 (emphasis added).
64 *See* R.25-02-005, CalCCA AFR at 22-24.
65 *Edison*, 20 Cal.3d at 824-826 ("Inasmuch as the two methods achieve the identical result – a final balancing of fuel clause over- and under-collections – and Edison itself embraces the former, the commission rightly concluded that it has not subjected Edison to retroactive ratemaking by choosing the latter because of a perceived need to institute the new energy clause without delay").
66 *Id*.

That is not the case for D.25-06-049 (as implemented in the Decision), where the Commission's actions result in the kind of "disruptive financial consequences of true retroactive ratemaking" that the *Edison* Court described as one of the hallmarks of general ratemaking.[67] The RA MPB is an administratively determined proxy value calculated by the Commission. There was no inherent balance built into the RA MPB methodology that would have inevitably canceled out any over- and under-estimates over time. In D.25-06-049, the Commission administratively altered the benchmark by which any over- or under-collections would be measured. In doing so, it altered the truth of the nebulous concept of the "portfolio value" of capacity, a concept that is not definitively set in, and cannot be solely derived from, the IOUs' accounting books. That is, the Commission did not simply require PG&E to compare forecasted capacity value to actual capacity value when it required PG&E to apply the Final 2025 RA MPB. It instead revised what constitutes the actual capacity value of PG&E's portfolio in 2025, ordering unbundled customers to suffer an enormous financial impact as a result. To use an analogy from civil proceedings, in D.25-12-027, the Commission 'perfects' the prior 'judgment' levied on CCAs and unbundled customers in D.25-06-049.[68]

The Commission continues to keep parties in the dark on *precisely* how significant this impact was. Despite having the information necessary, the Commission has not published what the Final RA MPBs *would have been* had they been calculated under the prior methodology. However, CalCCA has sought to estimate this approximate impact. CalCCA applied the change between the Forecast 2025 RA MPB and the modified Final 2025 RA MPB to PG&E's Retained RA quantity during 2025. Setting aside the two other IOUs, in PG&E's territory alone this produced a decreased value of capacity by approximately [redacted].[69] This [redacted]

---

67 *Ibid*.

68 *See, e.g.*, CalCCA's Comments on PG&E's Fall Update Testimony at 3-5 (explaining that application of the new RA MPB methodology in the Fall Update would have an enormous impact on CCAs and unbundled customers, and noting that, per the proposals set forth in PG&E's Fall Update, unbundled customers in Vintage 2018 were expected to see a system average PCIA rate increase of 418 percent and highlighting a 997 percent expected increase for customers in Vintage 2019).

69 CalCCA calculated the [redacted] reduction in the market value of capacity by using PG&E's workpaper '12. ERRA_2026_Forecast-Errata_WP_PGE_20251106_Ch12_BA_CONF' accompanying its October Update testimony. The difference between the Forecasted 2025 System, Local, and Flex RA MPB ($/kW-Year) values and the modified Final 2025 RA MPB of $11.21 per kW-Month ($134.52 per kW-Year) applied to the Actual Retained RA volumes from January through November 2025 and the Forecasted Retained RA volumes for December 2025 produces a difference in the Market Value of Capacity of approximately [redacted].

impact is a substantial part of the enormous increases in PCIA rates departed customers will experience in 2026.[70]

Finally, D.25-12-027 and D.25-06-049 are retroactive in effect. The courts have consistently determined that adjusting future rates to account for past under-collections is retroactive in effect.[71] Here, PG&E has already collected and recorded revenue to its PABA in 2025 based on PCIA rates approved by the Commission under a final order in the 2025 ERRA Forecast proceeding in D.24-12-038. Those rates were set based on a PCIA revenue requirement that was calculated, in part, by comparing the forecasted market value of PG&E's RA capacity portfolio during 2025 (a value determined in part by the RA MPB calculated under the then-existing methodology) to the cost of PG&E's RA capacity portfolio.[72] The modification to the RA MPB and 2025 revenue requirement that was ordered in D.25-06-049, and was effectuated in D.25-12-027, is retroactive in effect: it *changes* future rates (2026 PCIA rates adopted in D.25-12-027) to account for past under- or over-collections (calculated from 2025 PCIA rates adopted in D.24-12-038) that would not have naturally occurred solely via recorded costs and revenues.

The Commission therefore acted in excess of its jurisdiction and failed to act in the manner required by law when it issued D.25-06-049. Decision 25-06-049 establishes general rates and directs the retroactive application of those general rates. Decision 25-12-027 implements D.25-06-049—it approves PCIA rates that implement D.25-06-049's unlawful directive to apply the new RA MPB methodology to the 2025 true-up.[73] Thus, D.25-12-027 itself exceeds the Commission's authority and constitutes a failure to proceed in the manner required by law.

---

70 *See* CalCCA's Comments on PG&E's Fall Update Testimony at 2-6.

71 *Pacific Tel.*, 62 Cal.2d at 641-653 (explaining that a new rate structure took effect "unlawfully retrospectively" because after the Commission conducted an extensive investigation of the rates charged by the utility in question, it found them to be unreasonably high, and fixed new, lower rates ordering the utility to refund to its customers all charges collected in excess of a new rate level since the beginning of the investigation); *City of Los Angeles v. Public Utilities Commission* (1972) 7 Cal.3d. 331, 357 (*City of Los Angeles I*) ("To permit the commission to redetermine whether the preexisting rates were unreasonable as of the date of its order and to establish new rates for the purpose of refunds would mean that the commission is establishing rates retroactively rather than prospectively."); *Edison*, 20 Cal.3d at 815, 822, 830 ("Because the increased charges thus imposed were not the products of ratemaking, they were not rendered inviolable by the rule against *retroactive* ratemaking. To put it another way, the commission's decision to further adjust those rates so as to compensate for substantial past overcollections may well be retroactive in effect, but it is not retroactive *ratemaking*." (emphasis in original)).

72 R.25-02-005, CalCCA AFR at 5-10.

73 *See* D.25-12-027 at 17, COL 1, OP 1.

2. Decision 25-12-027 is Unlawful Because D.25-06-049 and D.25-12-027 Constitute a Course of Conduct that Violates the Prohibition on Retroactive Ratemaking

Courts recognize—across multiple areas of California law—that multiple unlawful actions can and should be understood as components of a broader, unlawful course of conduct. For example, in the context of the Fair Employment and Housing Act, courts have held that an employer's series of failures to accommodate an employee's disability should be viewed as a single, actionable course of conduct under certain circumstances.[74] Similarly, in the context of the Rosenthal Fair Debt Collection Practices Act, courts have held a pattern of violations can constitute a single actionable course of conduct in their entirety.[75]

Here, the Commission's action in D.25-06-049, and its subsequent action in D.25-12-027 (and in the other IOUs' respective 2026 ERRA Forecast decisions) operate as a similarly coordinated set of actions, and can be viewed as components of a broader, unlawful course of conduct. That is because the PCIA ratemaking framework requires the development of PCIA ratemaking *policy* (including the development of methodologies and formulae that will impact rates) in a rulemaking, and the establishment of revenue requirements and rates in annual ERRA Forecast proceedings.

To be clear, D.25-06-049, standing alone, violates the prohibition on retroactive ratemaking because it establishes general rates (the new RA MPB calculation methodology) and directs the retroactive application of those general rates. The Commission's claim that general ratemaking did not take place there ignores the functional truth of what the Commission accomplished in the PCIA rulemaking, *i.e.*, the same policymaking tasks for the PCIA as a GRC accomplishes for other rates:[76] setting the formula to determine a revenue requirement, allocate that revenue requirement, and design rates for different customer categories to recover that revenue requirement.[77] Moreover, the Commission has made clear that ERRA proceedings are not proceedings in which policy is evaluated and set relating to PCIA rates.[78] That policy

---

74 *Richards v. CH2M Hill, Inc.* (2001) 26 Cal.4th 798, 802.
75 *Komarova v. Nat'l Credit Acceptance, Inc.* (2009) 175 Cal.App.4th 324, 345.
76 R.25-02-005, CalCCA AFR at 25.
77 *See id*. at 26-27.
78 *Id*. at 28.

analysis and adjudication for the PCIA rates happens in PCIA rulemakings—there is no other proceeding or process where it could happen.[79]

What D.25-12-027 and the other IOUs' respective 2026 ERRA Forecast decisions accomplish is to *implement* the new RA MPB calculation methodology in what should have been the 2025 true-up, but was instead retroactive ratemaking, and approve PCIA rates reflecting that retroactive ratemaking. In this manner, D.25-06-049, D.25-12-027 and the other IOUs' 2026 ERRA Forecast decisions are logically connected and, together, also violate the prohibition on retroactive ratemaking. The elements that define "general ratemaking" that CalCCA laid out in its briefing in R.25-02-005 still apply, and considering those elements under that definition, the Commission undertook "general ratemaking" in R.25-02-005 to develop the RA MPB methodology adopted in D.25-06-049 and *applied* in D.25-12-027.

The PCIA rates approved in D.25-12-027, implementing the methodology of D.25-06-049, constitute a significant portion of PG&E's generation rate and are billed to nearly every customer in PG&E's service territory, appearing alongside "Generation," "Transmission," and "Distribution" charges as a separate line item on those bills.[80] The [redacted] impact on customers in PG&E's service territories on account of D.25-12-027 would not have occurred absent the unlawful implementation of an unlawful decision (*i.e.,* D.25-06-049).

Thus, while CalCCA maintains the Commission conducted unlawful retroactive ratemaking in D.25-06-049 standing alone, D.25-12-027 nevertheless clearly acts in conjunction with D.25-06-049 to violate the prohibition on retroactive ratemaking. The Commission's course of conduct in those decisions (as well as the other IOUs' 2026 ERRA Forecast decisions), therefore exceeds the Commission's authority and constitutes a failure to proceed in the manner required by law.

3. The Commission Cannot Escape the Prohibition on Retroactive Ratemaking by Spreading its Ratemaking Activities Across Multiple Proceedings

As CalCCA's D.25-06-049 Appeal explains, whereas the Commission once largely established general rates in GRCs, the Commission now "conducts substantial swaths of its business outside of general rate cases," dispersing its ratemaking activities into several side

---

79 *Id*.

80 D.20-03-019 (Apr. 6, 2020) at 21 (the same is true in SDG&E and SCE's service territories).

proceedings.[81] But this practice cannot and does not insulate the Commission from the prohibition against retroactive ratemaking. In the context of PCIA ratemaking, the Commission conducted general ratemaking in the PCIA Rulemaking (R.25-02-005) when D.25-06-049 established a new RA MPB calculation methodology, and it directed the retroactive application of the new methodology in the same decision. In D.25-12-027, the Commission implements the 2025 RA MPB true-up for PG&E, and by implementing D.25-06-049's directives for the purposes of that true-up, perpetuates retroactive ratemaking. In this manner, D.25-06-049 and the 2026 ERRA Forecast decisions work in tandem and are collectively and individually unlawful.

C. Decision 25-12-027's Utilization of D.25-06-049's New RA MPB Methodology to Establish the 2025 PCIA Revenue Requirement is Not Adequately Supported by the Commission's Findings

By approving the use of the new RA MPB methodology to calculate the 2025 PCIA revenue requirement and to set resulting rates, D.25-12-027 reaches conclusions that are not supported by the Decision's findings. Decisions are subject to reversal if a reviewing court concludes that the conclusions are insufficiently supported by the findings.[82] "[F]indings afford a rational basis for judicial review. . . . The more general the findings, the more difficult it is for the reviewing court to ascertain the principles relied upon by the administrative agency. Even when the scope of review is limited, . . . findings on material issues enable the reviewing court to determine whether the commission has acted arbitrarily."[83]

Figure 1 from CalCCA's Comments on PG&E's Fall Update (updated below) presented the Commission with the estimated size of the massive PCIA rate increases that different vintages in PG&E's territory would experience because of D.25-12-027.

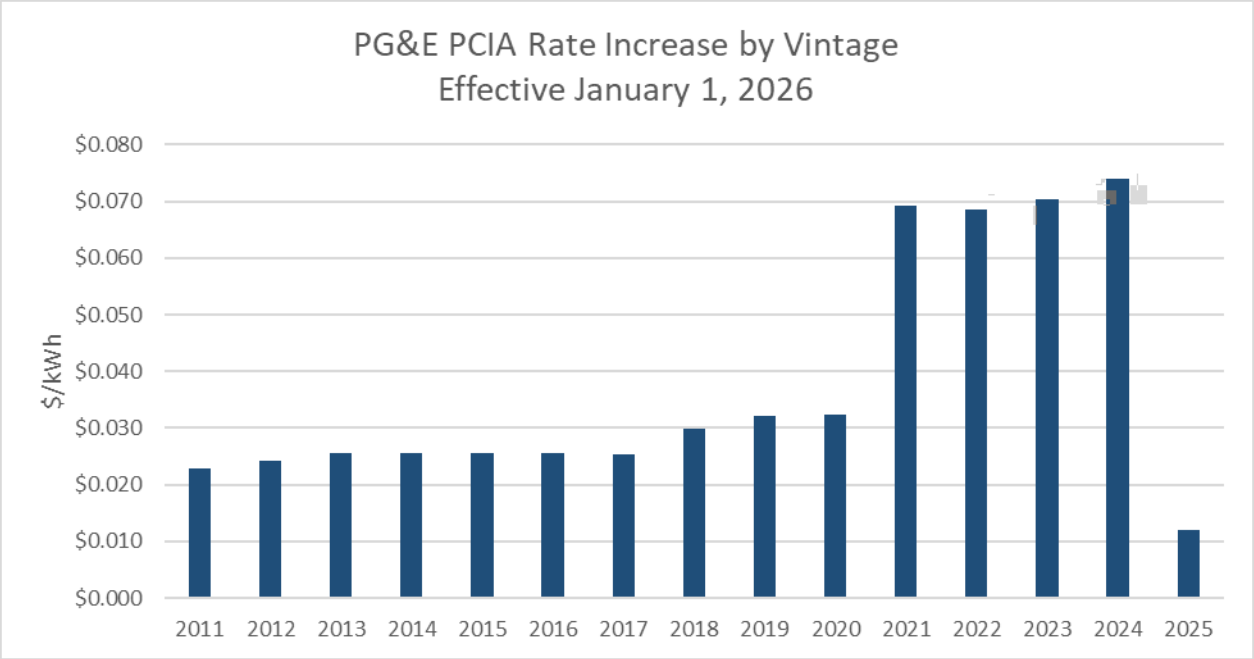
---

81 *See* CalCCA D.25-06-049 Appeal, MPA at 86-87.

82 Section 1757(a)(3).

83 *Cal. Motor Transport Co.*, 59 Cal.2d at 274 (citation omitted).

Table 1: PCIA Rate Increase by Vintage Post-Fall Update[84]



Both the lack of discussion in D.25-12-027 and the silence of the five sitting Commissioners from the dais[85] as they adopted it betray a lack of concern for the California families that bear these costs of the Commission's decision-making.

Decision 25-12-027's findings relating to the use of the new RA MPB are overly broad and prevent any ratepayer, much less a reviewing court, from ascertaining the Commission's reasoning in picking winners (bundled customers) and losers (unbundled customers). Finding of Fact 5 is the only finding relating to the PCIA and only consists of the conclusory statement: "We have reviewed the Power Charge Indifference Adjustment (PCIA) balance of $1,098,402,000 and find that it is reasonable."[86] The dicta of D.25-12-027 also fails to lend any support for the Commission's conclusions, simply repeating this conclusory claim in Section 3.3.[87] While D.25-12-027 does not address the issue, CalCCA also clarifies that while the

---

[84] CalCCA Comments on PG&E's Fall Update at 3. Updated to reflect PG&E's final PCIA rates in AL 7797-E.

[85] The Commission approved D.25-12-028 on its Consent Agenda on December 18, 2025, resulting in a [redacted] impact by applying this new RA MPB methodology as discussed above, without any discussion, explanation, or acknowledgment of the substantial increase that would result in certain customer bills. *See* California Pub. Util. Comm'n, Voting Meeting Dec. 18, 2025. Available at https://www.adminmonitor.com/ca/cpuc/voting_meeting/20251218/.

[86] D.25-12-027 at FOF 5.

[87] *Id*. at p. 12.

Commission's denial of parties' AFRs of D.25-06-049 did render moot the procedural recommendations in that brief,[88] CalCCA certainly and clearly objects to the underlying retroactive ratemaking as set forth in CalCCA's Appeal of D.25-06-049.

Adopted and issued after the CalCCA D.25-06-049 Appeal was filed, these findings in D.25-12-027 do not adequately wrestle with how the use of the new, unlawfully applied methodology has changed rates, the magnitude of those changes, or why the Commission believes such changes are legal and justified in the face of allegations that they are unlawfully retroactive. Such an insufficiency in reasoning, and the deafening silence from the Commissioners with regard to the rate increases they adopted, serve as an injustice to the communities the Decision impacts and contributes to the need for rehearing of D.25-12-027 to correct these errors.

D. Decision 25-12-027's Evidentiary, Procedural, and Logical Flaws Relating to Utilizing D.25-06-049's New RA MPB Methodology to Establish the 2025 PCIA Revenue Requirement Demonstrate the Commission's Arbitrariness and Abuse of Discretion

The Commission abused its discretion in D.25-12-027 by arbitrarily approving the retroactive application of the new RA MPB methodology to the calculation of rates set in this proceeding. "In determining whether the Commission abused its discretion, [courts] consider 'whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support.'"[89]

Here, the Commission's decision is arbitrary and capricious because the Commission has willfully blinded itself to the precise economic impact its decision to apply the new RA MPB

---

[88] While the AFRs of D.25-06-049 were still pending, CalCCA filed its Opening Brief in this proceeding on October 24, 2025. CalCCAs' Opening Brief included recommendations on how the Commission should handle a potential grant of CalCCA's AFR. On October 30, 2025, the Commission issued D.25-10-061 denying the AFRs of D.25-06-049. Decision 25-10-061 mooted the specific recommendations CalCCA included in its Opening Brief as to how the Commission should handle a grant of CalCCA's AFR. *See* CalCCA Reply Brief at 22. However, the underlying illegality of the Commission's actions here stems from its implementation of D.25-06-049. CalCCA did not forfeit any arguments with respect to the Commission's implementation of D.25-06-049 and preserved the issue in briefing. *See* CalCCA's Opening Brief at 7, 75-93. Moreover, the CalCCA D.25-06-049 Appeal had not been filed as of the deadline for opening and reply comments on D.25-12-027. As such, CalCCA arguably could not have raised the issue of the illegality of D.25-06-049 without such arguments being labeled a collateral attack of that decision because, with the AFR being denied and no Writ yet filed, the decision at that time was final. *See also* A.25-05-011, *PG&E Opening Brief* (October 24, 2025) at 23 (discussing the prohibition on collateral attack for "final" decisions).

[89] *California Community Choice Assn.*, 103 Cal.App.5th at 856 (citing *Securus Technologies, LLC*, 88 Cal.App.5th at 803).

retroactively has caused. This course of conduct extends back to the beginning of the Commission's consideration of whether and how to change the RA MPB methodology and reflects a concerted effort to keep the Commission ignorant as to the impacts of its decisions. Decision 25-06-049 relied entirely on a Staff Report to support its factual findings.[90] However, despite repeated requests to access the data underlying that Staff Report, parties were denied permission to examine these data and thereby could not fairly confront the Report.[91] CalCCA and other CCA parties drew attention to the Commission's refusal to contemplate facts in their Comments on the Proposed Decision and AFRs of D.25-06-049.[92] In this docket, CalCCA has also pointed out that Energy Division has not published what the Alternate Final 2025 RA MPB would have been using the old methodology.[93] This Alternate Final 2025 RA MPB is necessary to identify the precise impact of the Commission's decision to calculate the 2025 Final RA MPB using the new RA MPB methodology instead of the existing RA MPB methodology. By denying parties access to this Alternate Final 2025 RA MPB, the Commission has continued its pattern of refusing to even contemplate the consequences of its decisions.[94]

CalCCA presented its best estimate of this impact to the Commission in briefing. In this ERRA case alone, the Commission's determination to apply the new RA MPB methodology will result in an estimated [redacted] impact.[95] Across all three ERRA cases, the combined impact is estimated to approach two billion dollars. Yet aside from an offhand statement, D.25-12-027 does not acknowledge, much less address, this significant economic impact.[96] This complete

---

90 D.25-06-049 at 11.

91 *See* R.25-02-005, *CalCCA's Opening Comments on the Order Instituting Rulemaking and Energy Division Staff Report* (Mar. 18, 2025), at 25; R.25-02-005, *CalCCA's Reply Comments on OIR* (Apr. 2, 2025), at 14-15; R.25-02-005, *Ava Community Energy Authority Opening Comments on Proposed Decision Adopting Changes to the Calculation of the Resource Adequacy Market Price Benchmark* (Jun. 12, 2025), at 5.

92 *See*, *e.g.*, R.25-02-005, CalCCA's Comments on PD at 5-6; R.25-02-005, CalCCA AFR at 33-35; R.25-02-005, *Joint Application for Rehearing of Decision 25-06-049* (Jul. 28, 2025) at 6-7 (Ava and SJCE AFR).

93 *See* CalCCA's Opening Brief at 92 (explaining that Energy Division has remained silent as to what the RA MPBs would have been under a pre-D.25-06-049 methodology).

94 *Id.*; R.25-02-005, Ava and SJCE AFR at 6.

95 *See supra* note 68.

96 D.25-12-027 at 13-14 ("Since D.25-06-049 was issued after the filing of the instant application and before the Fall Update, the Fall Update includes some significant revisions to balancing accounts with calculations that use RA MPBs.").

absence of attention or discussion demonstrates the lack of precision with which the Commission approached this significant economic impact.

Because of this and the Commission's failure to explain its reasoning by producing adequate findings, the Commission reached arbitrary conclusions regarding the legality and reasonableness of applying the new RA MPB methodology to establish the 2025 PCIA revenue requirement. These failures demonstrate the Commission's abuse of its discretion in D.25-12-027 regarding the setting of the 2025 PCIA revenue requirement.

IV. THE COMMISSION SHOULD GRANT REHEARING TO REMEDY THE DECISION'S LEGAL ERRORS RELATING TO THE VALUATION OF PRE-2019 BANKED RECS

A key contested issue in this proceeding concerned PG&E's use of "banked" RECs towards its bundled customer RPS compliance requirements. PG&E states that it is not able to satisfy those requirements with its RPS-eligible generation in either 2025 or 2026. It therefore proposed to cover its shortfall in both years by using surplus RECs banked in prior years. Parties did not dispute PG&E's proposal to apply banked RECs towards its RPS compliance requirement—PG&E has applied a similar approach in several prior years. However, when PG&E has previously used banked RECs, the utility has valued those RECs at the RPS MPB in the year in which the RECs are used for compliance and credited the PCIA vintage corresponding to the year in which the RECs were originally generated. In this manner, PG&E has ensured bundled customers benefiting from PG&E's use of a REC towards bundled customer compliance pay for that REC, and ensured departed customers who originally paid for the REC are compensated for that REC.

This year, PG&E proposed doing things differently. Instead of providing value for all banked RECs, PG&E proposed to provide value for *only* those banked RECs generated in 2019 or later and proposed to assign zero value to banked RECs generated prior to 2019. In other words, PG&E proposed to use pre-2019 banked RECs to meet its bundled customer RPS compliance requirements in both 2025 and 2026 without compensating the departed customers who originally paid for a portion of those RECs.

By adopting PG&E's proposal, the Decision violates the indifference framework established by multiple sections of the California Public Utilities Code, including Sections 366.2(a)(4), 365.2, 366.3, and 366.2(g). The indifference framework prohibits cost shifts and requires that departed customers receive their fair share of the value of any PCIA portfolio

benefits that remain with bundled service customers. The Decision violates that framework by allowing PG&E to use RECs towards bundled customer compliance in 2025 and 2026—conferring a benefit upon those customers—without assigning the departed customers who paid for a portion of those RECs an appropriate credit for their value.

As explained in detail below, the Commission's decision to adopt PG&E's banked REC valuation methodology results in legal error which subjects the Decision to reversal on appeal on several counts. First and foremost, the Commission acts in excess of its powers or jurisdiction and fails to proceed in the manner required by law, subjecting the Decision to reversal under Section 1757(a)(1) and (a)(2) of the Public Utilities Code. The Decision is also subject to reversal on appeal under Section 1757(a)(3) for the failure of the Commission to support its decision with findings, under Section 1757(a)(4) for failing to support its findings with substantial evidence, and under Section 1757(a)(5) for abusing its discretion. The Commission should therefore grant rehearing, remedy the legal errors in the Decision and direct PG&E to credit any pre-2019 banked RECs it uses towards bundled customer compliance *in both 2025 and 2026* at the applicable RPS MPB.

A. Legal and Factual Background

1. California Law Prohibits Cost Shifts and Requires the Commission to Ensure Both Bundled and Departed Customers Remain Indifferent to Load Departure

California law prohibits cost shifts between bundled and unbundled customers. Section 366.2(a)(4) states: "The implementation of a [CCA] program shall not result in a shifting of costs between the customers of the [CCA] and the bundled service customers of an electrical corporation." In a similar vein, Sections 365.2 and 366.3 require the Commission to ensure bundled service customers do not experience any cost increases as a result of load departure and to ensure "departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load." Further, the law prescribes specific ratemaking requirements to avoid cost shifts. Under Section 366.2(g), unbundled customers are responsible solely for "estimated net unavoidable electricity costs," which means those costs must be reduced by the benefits in the IOUs' portfolios that accrue to bundled customers. Taken together, these sections of the Public Utilities Code represent a statutory mandate to ensure customers—bundled and unbundled—remain indifferent to load departure.

Commission decisions have implemented the statutory indifference framework through a series of decisions stretching over multiple decades. Indeed, a version of the current indifference calculation, including MPBs to reflect IOU portfolio value, has existed for nearly 20 years since D.06-07-030 adopted reforms to the "Customer Responsibility Surcharge" that was the precursor to the PCIA.

Decision 11-12-018 added new components to that calculation to reflect important regulatory and industry changes occurring during the late 2000s.[97] In that decision, the Commission recognized that the PCIA framework, at the time, recognized only the IOUs' cost of renewable resources in the calculation of the Indifference Amount.[98] The Commission noted that the PCIA framework did not account for the *market value* of renewable resources via the MPB.[99] The Commission therefore created an RPS "Adder" to the MPB,[100] and required the IOUs to apply that Adder to the renewable resources in the IOUs' portfolios.[101] Therefore following D.11-12-018, the indifference calculation appropriately reflected the incremental RPS value of RPS-eligible generation retained by bundled service customers via the RPS Adder. That means the RECs PG&E forecasted to be delivered in each forecast year were retained at the RPS Adder in that year and credited to the indifference calculation, for the benefit of customers that had already departed bundled service.[102]

Decision 18-10-019 and D.19-10-001 modified the PCIA framework by, among other things, adding a true-up to the PABA, and by creating "Unsold" and "Sold" RPS categories within the IOUs' RPS-eligible generation. Decision 19-10-001, specifically, established a methodology for calculating the Forecast RPS value and true up for each category of RPS product in the IOUs' portfolios (Retained, Sold and Unsold).[103] Decision 19-10-001, however, left intact the fundamental requirement, created by D.11-12-018, that for RPS-eligible resources retained by bundled customers, the indifference calculation must reflect the incremental RPS value of RPS-eligible resources retained by bundled customers. Nothing in D.19-10-001 exempts

---

97 D.11-12-018.

98 *Id*. at 10.

99 *Ibid.*

100 Whereas the MPB in effect at the time included an "adder" that reflected the cost of resource adequacy, it did not yet include an RPS Adder.

101 *See* D.11-12-018 at 10-11 ("The MPB used to determine the PCIA is multiplied by the entire amount of RPS-eligible energy in the IOU's portfolio.").

102 *See* Exh. CalCCA-14.

103 D.19-10-001 at OP3, Attachment B.

pre-2019 banked RECs from being valued at the benchmark. This fact is unsurprising, because once an IOU retains a REC for the benefit of bundled customers, the statutory indifference framework demands departed load receive its share of the value of that REC.[104]

2. The Indifference Framework Requires PG&E to Value the RECs it Uses for Bundled Customer Compliance at the RPS MPB

As explained above, when PG&E uses RPS-eligible generation from its PCIA resource portfolio to meet its bundled customer RPS compliance target, it must count that RPS-eligible generation as Retained RPS and credit the value of that generation to the PCIA using the RPS Adder.[105] More specifically, bundled customers pay for the RECs needed for RPS compliance via their generation rates—Retained RPS is debited to ERRA and credited out of the PCIA.[106] This accounting practice reflects the fundamental indifference principle that underpins the PCIA framework. When bundled customers retain the value of any benefits associated with PG&E's PCIA portfolio, the law requires PG&E to credit unbundled customers with their proportionate share of those benefits.[107]

Per the Commission's directive in D.20-02-047,[108] PG&E must retain a minimum volume of RPS-eligible generation corresponding to PG&E's RPS compliance period requirement.[109] This is known as PG&E's "Minimum Retained RPS" requirement. If RPS-eligible generation available to PG&E in the Forecast year (in this case, 2026) is less than its annual RPS compliance requirement for bundled customers, PG&E may use "banked" RECs to make up the difference and meet the minimum Retained RPS requirement established by the Commission.[110] "Banked" RECs are RECs PG&E generated in previous years in excess of PG&E's RPS compliance period requirement.[111]

Banked RECs were paid for (as Retained RPS) by the customers who were bundled at the time the RECs were generated.[112] When banked RECs are ultimately used towards bundled customer RPS compliance, even years after they were initially generated, PG&E's bundled

---

104 *See* Pub. Util. Code §§ 365.2; 366.3; 366.2(a)(4); 366.2(g).
105 Exh. CalCCA-01C at 35.
106 *Id*.
107 Pub. Util. Code § 366.2(g).
108 D.20-02-047 at 13-14.
109 Exh. PGE-01E at 8-15.
110 *See id*. at 8-18 to 8-19; Exh. CalCCA-01C at 36.
111 Exh. CalCCA-01C at 36.
112 *Id*.

customers are able to extract the *value* they previously paid for when the RECs were generated and banked.[113] In other words, bundled customers finally receive the benefit through PG&E's use of the banked REC for RPS compliance in the year it is needed. If PG&E were not able to use these banked RECs for RPS compliance, additional RPS resources would need to be procured in accordance with PG&E's Commission-approved RPS Plan. Therefore, even if the REC was generated and banked in 2015, the use of that REC for RPS compliance in 2025 results in a benefit to the bundled customer *in 2025*.

PG&E's bundled customer pool has evolved (and has generally dwindled) over time, as more customers depart for CCA service.[114] At the time a banked REC was generated, there would have been both bundled and unbundled customers (referred to herein as "Already-Departed" unbundled customers). The bundled customers paid for the REC, and the Already-Departed unbundled customers received a credit for the REC at that time. However, a specific subset of PG&E's customers exist that were *bundled* at the time a banked REC was generated, but *departed* before PG&E could use that REC towards compliance.[115] These "Now-Departed" customers paid for the REC at the time it was banked. However, because they are no longer bundled, they do not benefit from PG&E's later use of the banked REC towards *bundled* customer RPS compliance. In other words, that compliance only benefits the bundled customers *remaining* after the "Now-Departed" customers leave bundled service.[116] Given those "Now-Departed" customers were not credited at the time the REC was banked (because at that time the "Now-Departed" customers were still bundled), and do not receive the RPS compliance benefits of the bundled customers now, the "Now-Departed" customers are left with *no value* for the payment they originally made for the REC. The PCIA framework, and over a decade of Commission decisions establishing that framework, demand that Now-Departed customers receive value for the banked RECs they previously paid for, through a credit to the PCIA at the RPS Adder.

---

113 *Id*.

114 *See* Exh. CalCCA-13 (PG&E response to CalCCA discovery request, acknowledging that a portion of the previously bundled customers that paid generation rates that included an administratively determined value for the RECs forecast to be generated in that year are now departed customers).

115 *Ibid*.

116 *See* Exh. CalCCA-16 (PG&E response to CalCCA discovery request, agreeing that the volumes included in the Minimum Retained RPS requirement calculation for PG&E's 2026 ERRA Forecast are for the benefit of customers receiving bundled service in 2026).

An example helps clarify the moving pieces involved in this issue using an illustrative year prior to 2019. For instance, PG&E generated RECs in surplus of its RPS compliance obligations in 2015. Decision 11-12-018 required PG&E to value those RECs at the RPS Adder when those RECs were generated. As a result, PG&E bundled customers in 2015 paid for those RECs (including the surplus, banked RECs) through their generation rates.[117] In the years following 2015, a portion of the customers taking bundled service from PG&E in 2015 departed PG&E's bundled service and now take service from CCAs. Fast forwarding to 2026, and assuming PG&E uses its 2015 banked RECs towards its 2026 bundled customer RPS compliance obligations, the customers who were bundled in 2015 and remain bundled in 2026 benefit from those banked RECs, as the RECs are used on those customers' behalf.

However, the customers who were bundled in 2015 but are Now-Departed in 2026 do not benefit from the use of those banked RECs, *even though they previously paid for those RECs*. Consistent with the indifference requirements, those Now-Departed customers must receive *value* for PG&E's use of the 2015 banked RECs in 2026 via a credit to the PCIA. This is not a true-up, because neither the payment that bundled customers made in 2015 nor the credit Already-Departed unbundled customers received in 2015 is trued-up in this scenario. Rather, the Now-Departed customers are simply made whole because they finally receive a credit for PG&E's use of the 2015 banked RECs for the benefit of bundled customers in 2026, as required by the statutory indifference framework.

3. PG&E Proposed to Use Banked RECs to Meet its Minimum Retained RPS Requirement for 2025 and 2026, and Proposed to Unlawfully Assign Pre-2019 Banked RECs Zero Value

PG&E has implemented the accounting practice illustrated by the above example in prior ERRA cases. When PG&E used banked RECs—including RECs generated before 2019—in prior years, it valued those RECs at the RPS Adder and credited that value to the PCIA vintage corresponding to the year in which the banked RECs were generated. In 2024, [redacted][118] Then, in its 2025 ERRA Forecast

---

117 Evidentiary Hearing Tr. Vol. 1 at 89:7-12.

118 *See* Exh. CalCCA-19 (confirming PG&E credited the PCIA indifference calculation for banked RECs generated in 2018 in its 2024 and 2025 ERRA Forecasts); Exh. CalCCA-20 (PG&E testimony in 2024 ERRA Forecast proceeding, proposing to apply 2018 RECs towards Minimum Retained RPS

proceeding, PG&E proposed to apply RECs generated in 2018 towards its Minimum Retained RPS obligation for 2025, and to credit the 2018 vintage of the PCIA for those RECs at the 2025 Forecast RPS Adder.[119] CalCCA has consistently supported this valuation practice, because it ensures that the appropriate sets of customers pay for and receive credit for PG&E's use of banked RECs towards bundled customer compliance.[120]

This year, again, PG&E proposed to use banked RECs to cover a shortfall and satisfy its Minimum Retained RPS requirement for both 2025 and 2026.[121] And, consistent with its prior practice and the indifference framework, PG&E proposed to value certain of those banked RECs (those generated in 2019 or later) at the RPS Adder.[122] But, in a sharp departure from its prior practice, PG&E proposed that Now-Departed who paid for banked RECs prior to 2019, but have since departed PG&E's system, should get *no* credit for those RECs when they are finally used to meet bundled customer RPS compliance requirements.[123] Instead, PG&E proposed to use pre-2019 banked RECs for its bundled customers in both 2025 and 2026 without crediting Now-Departed customers for PG&E's use of those RECs.[124] PG&E's proposal plainly violates the statutory indifference framework and the Commission decisions implementing that framework.

4. The Decision Unlawfully Permits PG&E to Use Pre-2019 Banked RECs Towards Bundled Customer RPS Compliance Without Crediting Now-Departed Customers Who Paid for a Portion of those RECs

D.25-12-027 does not resolve the question of the appropriate methodology for valuing pre-2019 banked RECs. Instead, it implicitly recognizes PG&E's proposal to modify its banked REC valuation methodology should never have been raised in this proceeding in the first place, because ERRA Forecast proceedings are far too compressed to evaluate those policy

---

obligation); Exh. CalCCA-21C [redacted]); Confidential Tr. Vol. 1 at 110:2-24.

119 *See* Exh. CalCCA-19 (confirming PG&E credited the PCIA indifference calculation for banked RECs generated in 2018 in its 2024 and 2025 ERRA Forecasts); Exh. CalCCA-22 (PG&E testimony proposing to use 2018 banked RECs towards its 2025 Minimum Retained RPS requirement); Exh. CalCCA-23 (confirming PG&E would value 2018 banked RECs used to meet the 2025 minimum retained RPS at the 2025 Forecast RPS Adder).

120 Exh. CalCCA-01 at 40.

121 Exh. PGE-01E at 8-19 to 8-20.

122 *Id*. at 8-19.

123 *Id*.

124 *See* A.25-05-011, *California Community Choice Association's Comments on Pacific Gas and Electric Company's Fall Update Testimony* at 8-9 (Nov. 10, 2025).

modifications. The Decision states: "[g]iven the expedited nature of ERRA Forecast proceedings, it would not be possible at this time to consider whether and how to apply pre-banked RECs to the specific vintages of customers that were bundled customers at the time the REC was procured but have since departed from IOU service for rates effective January 1, 2026."[125] The Decision goes on to defer this issue "to a rulemaking."[126] In a ruling issued shortly after the issuance of D.25-12-027, the Commission made the valuation of pre-2019 banked RECs the focus of Track 2 of the PCIA rulemaking (R.25-02-005).[127]

Despite punting the issue, however, the Decision adopts PG&E's about-face to assign pre-2019 banked RECs zero value.[128] Specifically, the Decision permits PG&E to use pre-2019 banked RECs to meet its bundled customer RPS compliance requirements in both 2025 *and* 2026 without compensating Now-Departed customers who originally paid for a portion of those RECs. That means, unless the Commission grants rehearing and remedies its legal errors, PG&E will use [redacted] MWh of [redacted] banked RECs towards bundled customer compliance in 2025, without any credit to the [redacted] PCIA vintage, increasing the PCIA revenue requirement by [redacted]. For bundled customer compliance in 2026, PG&E projects using [redacted] MWh of banked RECs from [redacted] and [redacted] without any credit to the corresponding PCIA vintages, increasing the PCIA revenue requirement by [redacted]. In total, PG&E will use nearly [redacted] MWh of banked RECs to cover its 2025 and 2026 Minimum Retained RPS shortfalls.

By denying departed load any credit for the banked RECs PG&E used and will use to benefit its bundled customers in 2025 and 2026, the Decision would shift approximately [redacted] in costs from bundled to Now-Departed customers. By shifting costs in this manner and failing to credit Now-Departed customers with the value of PCIA portfolio benefits that accrue to bundled customers, the Commission fails to act in the manner required by law. The Commission also fails to support its decision with findings and fails to support its findings with substantial evidence in light of the whole record. Instead, it adopts PG&E's zero-value proposal, which is a reversal of PG&E's practices up until this proceeding, without reasoning or analysis. Finally, the

---

125 D.25-12-027 at 31.

126 *Ibid*.

127 R.25-02-005, *Administrative Law Judges Ruling Setting Prehearing Conference, Directing Parties to Meet and Confer, and Directing Filing of a Joint Prehearing Conference Statement* at 2-4 (Dec. 26, 2025) (describing the valuation of pre-2019 banked RECs as "exigent" and incorporating that issue into the preliminary statement of issues for Track 2).

128 D.25-12-027 at 31.

Commission abuses its discretion by adopting PG&E's methodology without evidentiary support and by departing from its prior approval of PG&E valuing pre-2019 banked RECs at the RPS Adder in the year in which the REC is used towards bundled customer compliance without reasoned explanation. These failures, both individually and collectively, subject the Decision to reversal on appeal.

B. The Commission Failed to Act Within its Powers or Jurisdiction and Failed to Proceed in the Manner Required by Law Because the Decision Violates Statutory Requirements for the Commission to Ensure Indifference Between Bundled and Departed Customers

1. The Commission's Approval of PG&E's Proposal Violates the Statutory Indifference Framework and Commission Precedent Implementing that Framework

The Commission errs by acting in excess of its powers or jurisdiction, as set forth in Section 1757(a)(1), when it ignores a statutory mandate. Further, the Commission fails to proceed in the manner required by law, as set forth in Section 1757(a)(2), when it violates its own procedural rules, its own decisions, and applicable statutes.[129] Here, the Commission acts in excess of its powers or jurisdiction, and fails to proceed in the manner required by law because the Decision violates the statutory indifference framework and the Commission decisions implementing that framework.

As explained above, PG&E's bundled customer count has decreased over time as more customers depart for CCA service. Therefore, certain PG&E customers who were bundled at the time a banked REC was generated (in a year prior to 2019) departed bundled service before PG&E could use that REC towards compliance in 2025 or 2026. Those "Now-Departed" customers are the victims of the Commission's unlawful decision adopting PG&E's proposal to assign pre-2019 banked RECs zero value.

Now-Departed customers *paid* for a portion of the RECs PG&E seeks to use towards bundled customer compliance in 2025 and 2026. But as PG&E concedes in response to a CalCCA discovery request in this proceeding, under PG&E's proposal, "Now-Departed" customers neither have the pre-2019 banked REC credited to them at the RPS Adder, nor have the REC used on their behalf. In short, they have paid for RECs that provide value to bundled

---

129 *Calaveras Tel. Co. v. Pub. Util. Com.* (2019) 39 Cal. App. 5th 972, 983.

customers, but offer the Now-Departed customers no value.[130] As witness Barry confirmed during the evidentiary hearing:

> Q:[CalCCA Counsel] Okay. So Ms. B[a]rry, let's now consider the customer who was bundled in 20[1]5 and has now departed since then. That customer would have paid for excess RECs in 2015, but would never have received a credit for that REC at the RPS benchmark, correct?
>
> A:[PG&E Witness Barry] That is correct.
>
> Q: And that customer – the same customer – would never have had that same REC retired on her behalf; is that correct?
>
> A: That is correct. [remainder of answer omitted][131]

Witness Barry's admission confirms PG&E's approach violates California law. The indifference framework, including Section 366.2(g), requires that departed load customers receive a credit for the *value* of any benefits of PCIA resources that remain with bundled service customers, unless those customers are allocated a fair and equitable share of those benefits. Under PG&E's proposal, departed customers who pay for the cost of PG&E's PCIA resources and paid for the banked RECs PG&E now seeks to use would not receive the credit to which they are entitled under Section 366.2(g). PG&E's approach therefore does not comport with the fundamental indifference principle underpinning the PCIA framework, nor does it follow Commission precedent, including D.19-10-001 and its predecessors.

To properly credit departed customers for the value of RECs used for current bundled customer compliance, PG&E should apply a credit to the PCIA vintage corresponding to the year the RECs were generated, as PG&E has done (and the Commission has approved) in prior years. That credit should be equal to the value of the banked REC in the year in which it is used towads bundled customer compliance, which, for 2025, is the Actual 2025 RPS Adder, and, for 2026, is the 2026 Forecast RPS Adder. This accounting will ensure that Now-Departed customers receive their share of the value of the RECs now being used for bundled customers.

---

130 *See* Exh. CalCCA-15.

131 Evidentiary Hearing Tr. Vol. 1 at 92:11-21.

By adopting PG&E's unlawful proposal to assign zero value to the pre-2019 banked RECs it uses for bundled customer RPS compliance in 2025 and 2026, the Decision violates Sections 365.2, 366.3 and 366.2 (a)(4) of the Public Utilities Code which collectively require the Commission to ensure indifference, and Section 366.2 (g) of the Public Utilities Code requiring the Commission to ensure departed customers receive the value of any PCIA portfolio benefits remaining with bundled customers. By failing to follow the statutory mandate, the Commission acts in excess of its powers or jurisdiction, and fails to proceed in the manner required by law and is subject to reversal on appeal on this basis as set forth in Section 1757(a)(1) and (a)(2).

2. The Fact that the Decision Adopts PG&E's Methodology on an Interim Basis and Directs a Process for Tracking RECs Used to Meet 2026 Compliance Does Not Remedy the Decision's Legal Errors

The Decision finds it reasonable to adopt PG&E's pre-2019 banked REC methodology "on an interim basis for the purpose of this decision."[132] Anticipating the Commission's future guidance on this issue in the PCIA OIR, the Decision directs PG&E to "track and report the quantity of pre-2019 banked RECs used to meet 2026 compliance and the year those RECs were generated."[133] These directives, however, do nothing to remedy the Decision's legal error.

First, PG&E proposes to use pre-2019 banked RECs to meet not only its 2026, but also its *2025* RPS compliance requirements. Despite previously proposing to value pre-2019 banked RECs at the 2025 RPS Adder and credit the vintage corresponding to the year in which the banked REC was generated, PG&E shifted its position in this proceeding. PG&E proposed to use pre-2019 banked RECs to meet its 2025 shortfall without any credit to the PCIA. Specifically, PG&E will use [redacted] MWh of RECs generated in [redacted] to cover its 2025 requirement. The Decision directs PG&E to track the pre-2019 banked RECs it will use to meet only *2026* compliance requirements.[134] Even if the Commission changed the methodology in the PCIA proceeding and allows Now-Departed customers to receive value for the use of pre-2019 banked RECs for 2026 compliance requirements, Now-Departed customers who paid for a portion of banked RECs used in *2025* will never receive *any* value for those RECs under the process the

---

132 D.25-12-027 at 31.

133 *Ibid*.

134 The ruling establishing a preliminary statement of issues for Track 2 of the PCIA OIR underlines this gap. That preliminary statement of issues addresses only RECs used in 2026 and later. It does not include RECs used in 2025. *See* R.25-02-005, Administrative Law Judges Ruling Setting Prehearing Conference, Directing Parties to Meet and Confer, and Directing Filing of a Joint Prehearing Conference Statement at 3-4 (Dec. 26, 2025).

Decision prescribes. In other words, for Now-Departed customers who paid for the pre-2019 banked RECs PG&E will use for the purposes of 2025 bundled customer RPS compliance, there is nothing "interim" about the Decision. Unless the Commission grants rehearing and fixes the legal errors in the Decision, those customers may be unlawfully and permanently denied any value for the pre-2019 banked RECs PG&E uses in 2025.

Second, with respect to the Now-Departed customers who paid for pre-2019 banked RECs PG&E will use in 2026, even if the Commission ultimately determines those customers *should* receive a credit following its consideration of this issue in the PCIA OIR, the indifference framework does not permit the Commission to delay the value those customers are entitled to receive. Section 366.2 (g) requires the Commission to ensure that departed customers receive the value of benefits that remain with bundled service customers. Neither that statute, nor any other statute, permits the Commission to deny or to keep departed customers indefinitely waiting for their fair share of the value of RECs used by bundled customers.

C. The Commission's Decision Adopting PG&E's Pre-2019 Banked REC Valuation Methodology is Not Supported by the Findings

Under Section 1757(a)(3) of the Public Utilities Code, a reviewing court considers whether the Commission's decision is supported by the findings. As explained above, findings on material issues "enable the reviewing court to determine whether the commission has acted arbitrarily."[135] "The more general the findings, the more difficult it is for the reviewing court to ascertain the principles relied upon by the administrative agency."[136]

Here, the Decision is so devoid of findings it would be effectively impossible for a reviewing court to ascertain how and why the Commission adopted PG&E's pre-2019 banked REC valuation methodology for RECs used in both 2025 and 2026. The Decision adopts PG&E's pre-2019 Banked RECs methodology but fails to offer any findings to support that decision, other than the hollow finding that adopting PG&E's methodology is "reasonable."[137] While the Decision discusses both PG&E's and CalCCA's proposed banked REC valuation methodologies in detail in *dicta*, it expressly declines to evaluate the merits of those methodologies in its Discussion (Section 5.3), instead punting the entire issue to a separate proceeding. The Commission's decision to adopt PG&E's methodology, therefore, does not rest

---

135 *Cal. Motor Transport Co. v. Pub. Util. Comm.* (1963) 59 Cal. 2d 270, 274 (citation omitted).

136 *Id*.

137 D.25-12-027 at 31, FOF 15.

on any findings with respect to the merits of that methodology, its impact on bundled or departed customers, its impact on rates, its fairness, its logic, or any other substantive factors discussed by the parties in testimony, at hearings, or in briefs. In short, the Commission's decision is arbitrary and unsupported and is therefore subject to reversal on appeal under Section 1757(a)(3).

D. The Commission's Decision Adopting PG&E's Pre-2019 Banked REC Valuation Methodology is Not Supported by Substantial Evidence in Light of the Whole Record.

Under Section 1757(a)(4) of the Public Utilities Code, a reviewing court considers whether the Commission's findings are supported by substantial evidence in light of the whole record.[138] A party challenging Commission findings for lack of substantial evidence must demonstrate that, based on the evidence before the Commission, a reasonable person could not reach the same conclusion.[139]

In the Decision, the Commission finds it "reasonable" to adopt PG&E's pre-2019 banked REC methodology for RECs used in both 2025 and 2026.[140] A reasonable person could not have found it "reasonable" to adopt PG&E's methodology—a methodology that departs from PG&E's existing, Commission-approved practice, and denies departed customers compensation for RECs they previously paid for—in light of the whole record. First, as discussed above, the Commission's finding is untethered from the record. The Discussion portion of the Decision does not so much as reference the record evidence on the valuation of pre-2019 banked RECs, let alone analyze or tie its conclusion to that evidence. On the contrary, the Decision acknowledges the impossibility of evaluating and determining a pre-2019 banked REC valuation methodology in an expedited ERRA Forecast proceeding.[141] Thus, the Decision is fundamentally dissonant—it avoids wading into the record while simultaneously finding it "reasonable" for PG&E to deny departed customers the value of the pre-2019 banked RECs it uses for bundled customers compliance in 2025 and 2026.

Second, in light of the Commission's upcoming inquiry into the valuation of pre-2019 banked RECs in the PCIA rulemaking, there is simply no reason for the Commission to adopt a methodology that deviates from PG&E's existing practice and denies departed load fair

---

138 Pub. Util. Code §1757(a)(4).

139 *Pac. Gas & Elec. Co. v. Pub. Util. Co.* (1st Dist., Jun. 16, 2015) 237 Cal. App. 4th 812.

140 D.25-12-027 at 31, FOF 15.

141 *Id*. at 31.

compensation. The Commission's decision is particularly egregious in the context of banked RECs used in 2025 because the Decision creates no process by which Now-Departed customers could ultimately receive fair compensation for those RECs. The Commission's approval of PG&E's methodology is therefore entirely unsupported by substantial evidence in light of the whole record.

In fact, the record clearly demonstrates that certain customers who were bundled when PG&E originally generated pre-2019 banked RECs have since departed PG&E's bundled service.[142] And the record clearly demonstrates those Now-Departed customers paid for those pre-2019 banked RECs, but have never received *value* for those RECs (either as a credit to the PCIA, or via use towards RPS compliance).[143] As such, the record evidence cannot and does not support a methodology that conveys no value to Now-Departed customers for PG&E's use of pre-2019 banked RECs. The findings in the Decision are therefore not supported by substantial evidence in light of the whole record, and the Decision is subject to reversal on appeal on this basis under Section 1757(a)(4) of the Public Utilities Code.

E. The Commission Abused its Discretion Because the Decision Lacks Evidentiary Support and Because it Departs from Prior Practice Without Providing Any Reasoning Supporting that Departure

Under Section 1757(a)(5) of the Public Utilities Code, a reviewing court considers whether the Commission's Order constitutes an abuse of the agency's discretion.[144] The abuse of discretion standard "can be restated as whether the Commission exceeded the bounds of reason."[145] In assessing whether the Commission abused its discretion, a reviewing court considers whether the Commission's decision was "arbitrary, capricious, or entirely lacking in evidentiary support."[146] In making that inquiry, the court must ensure an agency has "adequately

---

142 *See* Exh. CalCCA-13 (PG&E response to CalCCA discovery request, acknowledging that a portion of the previously bundled customers that paid generation rates that included an administratively determined value for the RECs forecast to be generated in that year are now departed customers).

143 *See* Exh. CalCCA-15; Evidentiary Hearing Tr. Vol. 1 at 92:11-21.

144 Pub. Util. Code § 1757(a)(5).

145 *San Pablo Bay Pipeline Co. LLC v. Pub. Util. Com.* (5th Dist., Dec. 11, 2013) 221 Cal. App. 4th 1436, 1460.

146 *Cal. Community Choice Ass'n v. Pub. Util. Com.* (1st Dist., Jul. 15, 2024) 103 Cal. App. 5th 845, 856 (citing *Securus Techs., LLC v. Pub. Util. Com.* (2d Dist., Feb. 1, 2023) 88 Cal. App. 5th 787, 803).

considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute."[147]

Here, the Commission abused its discretion by adopting PG&E's proposal to assign pre-2019 banked RECs zero value because that decision lacks evidentiary support, and because that decision arbitrarily and capriciously departs from the Commission's prior, consistent practice. With respect to evidentiary support, Section IV.D. above discusses the Commission's failure to connect its decision adopting PG&E's valuation methodology to any record evidence. With respect to its prior practice, the Commission has, on multiple prior occasions, approved a valuation methodology that values pre-2019 banked RECs at the RPS Adder in the year in which those RECs are used. In its 2024 ERRA Forecast proceeding, A.23-05-012, PG&E proposed to use banked RECs, including RECs generated and banked in 2018, to help cover a shortfall towards its Minimum Retained RPS obligation in 2024.[148] PG&E proposed to value those RECs at the 2024 RPS Adder and credited that value to the 2018 vintage of the PCIA for its use of those RECs.[149] In this manner, PG&E conveyed customers departing after 2018 their share of the value of banked RECs they paid for in 2018, when they were bundled customers. The Commission approved PG&E's approach.[150] In 2025, PG&E proposed to use RECs generated and banked in 2018 to help cover a shortfall towards its Minimum Retained RPS obligation in 2025.[151] In response to CalCCA discovery in that case, PG&E confirmed it would value those 2018 RECs at the 2025 Forecast RPS Adder and apply that credit to the year in which the RECs were generated: 2018.[152] The Commission, again, approved PG&E's approach.[153]

The Decision therefore arbitrarily and capriciously departs from the Commission's prior practice by approving—without any reasoning or explanation—a methodology that would assign zero value to pre-2019 banked RECs used in 2025 and 2026. To be clear, the *status quo*—PG&E's Commission-approved practice—is to value banked RECs used towards bundled customer compliance at the RPS Adder, and to credit that value to the PCIA vintages

147 *Securus Techs., LLC v. Pub. Util. Com.* (2d Dist., Feb. 1, 2023) 88 Cal. App. 5th 787, 803 (citing *American Board of Cosmetic Surgery v. Medical Board of Cal.* (2008) 16 Cal. App. 4th 534, 547-548).
148 Exh. CalCCA-20.
149 *Id*.
150 D.23-12-022 at OP 5.
151 Exh. CalCCA-22.
152 Exh. CalCCA-23; *see also* Evidentiary Hearing Tr. Vol. 1 at 113-114.
153 D.24-12-038 at COL 1.

corresponding to the year in which the RECs were generated. The Commission abandons the status quo without offering any reasoning, analysis, or explanation for that departure. The Commission therefore abused its discretion and is subject to reversal on appeal on this basis under Section 1757(a)(5) of the Public Utilities Code.

V. THE COMMISSION SHOULD SET A CONSOLIDATED ORAL ARGUMENT TO CONSIDER THIS AND ANY RELATED APPLICATIONS FOR REHEARING

Pursuant to Commission Rule 16.3, CalCCA seeks a consolidated oral argument on this AFR, and the AFRs of SDG&E's and SCE's 2026 ERRA Forecast decisions (D.25-12-008 and D.25-12-028, referred to herein as Related ERRA Forecast AFRs).[154] Oral argument is appropriate under Commission Rule 16.3 to "materially assist the Commission in resolving the application," and "demonstrate that the application raises issues of major significance for the Commission."[155] Such issues of major significance exist when the Commission's decision: (1) "adopts new Commission precedent or departs from existing precedent without adequate explanation;" (2) "changes or refines existing Commission precedent;" (3) "presents legal issues of exceptional controversy, complexity, or public importance;" or (4) "raises questions of first impression that are likely to have significant precedential impact."[156]

Oral argument will materially assist the Commission in resolving this AFR and the Related ERRA Forecast AFRs. The underlying PCIA regulatory ecosystem is complex (involving RA MPBs, Indifference Amounts, the portfolio allocation balancing account, ERRA proceedings using different underlying data, and more). How rates are set in ERRA proceedings, and tracing D.25-06-049's and D.25-12-027's impacts through this interlocking web, is complex. There are many intricacies to how exactly the Commission acted unlawfully here. Teasing apart the different ratemaking steps, where the unlawful retroactive ratemaking occurred, how the Commission bound itself in D.25-06-049, and the development of the evidentiary record across these different proceedings are the kinds of challenges—exploring grey areas, complex interactions between prior instructions, hypotheticals, and identifying other analogous situations—are best handled in the dynamic give and take of an oral argument than by simply relying on paper submissions.

---

154 D.25-12-008 (Dec. 5, 2025); D.25-12-028 (Dec. 19, 2025).

155 Commission Rule 16.3.

156 *Id*. at 16.3(a)(1)-(3).

This AFR and any Related ERRA Forecast AFRs also warrant oral argument because they concern issues of major significance. As noted above, the questions at issue in this and any Related ERRA Forecast AFRs are exceptionally complex, controversial, and of public interest. There has already been significant public interest in the Decision including the [redacted] impact resulting from its retroactive ratemaking, and the [redacted] million impact resulting from its unlawful approval of PG&E's REC valuation methodology, let alone the hundreds of millions of dollars of impacts resulting from the other IOUs' 2026 ERRA Forecast decisions.[157] Additionally, the question of whether the Commission retroactively sets rates in ERRA Forecast proceedings when implementing Decisions in past rulemakings appears to be a question that will set significant precedent on an issue that may reappear quickly depending on the Commission's actions in the existing PCIA rulemaking. Finally, the AFRs concern issues of major significance because the Decision departs from its existing precedent by approving, in this case, a methodology that would assign pre-2019 banked RECs zero value, after previously approving valuation methodologies that would value those RECs at the RPS MPB.

For these reasons, consolidated oral argument (on this AFR and the Related ERRA Forecast AFRs), is appropriate under Commission Rule 16.3, and the Commission should grant CalCCA's request for oral argument.

VI. CONCLUSION

For the foregoing reasons, CalCCA respectfully requests that the Commission grant this AFR. CalCCA also requests the Commission permit a consolidated oral argument with the AFRs of SDG&E's and SCE's 2026 ERRA Forecast decisions, on the issues raised therein. Finally, CalCCA requests the Commission grant any other relief it deems just and reasonable.

[157] D.25-12-008; D.25-12-028.

Respectfully submitted,

Nikhil Vijaykar
Tim Lindl
KEYES & FOX LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (408) 621-3256
E-mail: nvijaykar@keyesfox.com
tlindl@keyesfox.com

Counsel to California Community Choice Association

January 12, 2026