BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes.	R.25-02-005

JOINT PREHEARING CONFERENCE STATEMENT

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Date: **January 16, 2026**

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JOINT PREHEARING CONFERENCE STATEMENT

I. INTRODUCTION

Pursuant to Rule 7.2(a) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure and the Administrative Law Judge's Ruling Setting Prehearing Conference, Directing Parties to Meet and Confer, and Directing Filing of a Joint Prehearing Conference Statement dated December 26, 2025 (Ruling), Southern California Edison Company (SCE) files this prehearing conference statement (PHC Statement) on behalf of itself and other parties to this proceeding that participated in a January 12, 2026 meet-and-confer as directed in the Ruling and expect to participate in the PHC through a representative.[1]

The Ruling notes that the Assigned Commissioner in the above-captioned proceeding is considering a scope for Track 2 that focuses on a narrow issue related to the Power Charge Indifference Adjustment (PCIA): the appropriate ratemaking valuation for renewable energy credits (REC) generated prior to January 1, 2019 (Pre-2019 Banked RECs) that are used for bundled service customer

[1] Representatives from the following parties attended the January 12, 2026 meet-and-confer: Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E, and together with SCE and PG&E, the Joint IOUs); 3 Phases Renewables, Inc. (3 Phases); Alliance for Retail Energy Markets (AReM); BP Energy Retail Company California LLC (BP Energy); California Community Choice Association (CalCCA); California Large Energy Consumers Association (CLECA); the Coalition of California Utility Employees (CUE); California Choice Energy Authority (Cal Choice); Direct Access Customer Coalition (DACC); Pioneer Community Energy (Pioneer) the Public Advocates Office at the California Public Utilities Commission (Cal Advocates); Shell Energy North America US, L.P. (Shell); and The Utility Reform Network (TURN) (collectively, the Parties).

compliance with the Renewables Portfolio Standard (RPS) program. The Ruling scheduled a prehearing conference (PHC) for January 23, 2026.

As directed in the Ruling, the Parties met and conferred for this PHC Statement on January 12, 2026. At the meet-and-confer, the Parties reviewed the Preliminary Statement of Issues presented in the Ruling as well as an alternative scope of issues presented by the Joint IOUs below and the Preliminary Track 2 Schedule. The list of other topics for this PHC Statement identified in the Ruling were also discussed. Given the large number of Parties, each Party was also given the opportunity to submit positions on any of these topics in writing after the meeting. The remainder of this PHC Statement addresses the positions of the Parties on the information requested in the Ruling as reflected in the January 12, 2026 meet-and-confer and the Party position statements submitted to SCE.[2]

II.

INFORMATION FOR THE PREHEARING CONFERENCE AS REQUESTED IN THE RULING

A. Identification of the Speakers for the Prehearing Conference

The Parties identify the following individuals as speaking participants for the PHC scheduled for January 23, 2026 at 1:00 p.m.:

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[2] Pursuant to Rule 1.8(d), SCE confirms that SCE has been authorized to file this *Joint Prehearing Conference Statement* on behalf of Parties that participated in the meet-and-confer and intend to participate in the PHC through a representative.

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B. Comments on the Preliminary Statement of Issues

The Ruling seeks party comments on a Preliminary Statement of Issues related to Pre-2019 Banked RECs to be addressed in Track 2. At the meet-and-confer, all Parties were directed to submit any comments to SCE for this PHC Statement. CLECA states that it takes no position on the preliminary statement of Track 2 issues or the Utilities' proposed alternative at this time. The following are comments from certain other Parties on the Preliminary Statement of Issues.

1. Comments from the Joint IOUs

The Joint IOUs recommend that the Commission re-frame the scoping issues presented in the Ruling to ensure that the legal and policy issues implicated by the ratemaking valuation of Pre-2019 Banked RECs are fully considered.

[3] Mr. Lindl will represent CalCCA at the PHC. CalCCA represents the interests of its member community choice aggregators (CCAs). Those CCAs may also be parties in this proceeding, and may or may not appear separately at the PHC. 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.

Under multiple existing Commission decisions, PG&E and SCE have been directed to apply a zero-dollar value for ratemaking purposes to Pre-2019 Banked RECs.[4] The Preliminary Statement of Issues asks parties to begin from the assumption that statutory indifference principles are implicated if the Commission simply maintains this status quo. But that assumption puts the cart before the horse by presuming a foregone answer to a threshold question that the Commission must first address in this proceeding: namely, whether applying the zero-dollar valuation implicates statutory indifference principles at all. The Preliminary Statement of Issues does not explicitly ask this question. Accordingly, the Joint IOUs make two recommendations regarding the proposed scope of issues for this Track 2.

First, the Joint IOUs propose that an Assigned Commissioner's scoping memorandum contain the following prefatory language:

> Under a previous PCIA methodology, which was in effect until January 1, 2019, bundled service customers credited departing load customers for Pre-2019 Banked RECs in the year in which they were forecast to be generated. Some of those customers have since departed bundled service ("later departing load customers"). The previous PCIA methodology did not require credits to the PCIA when bundled service customers used banked RECs in later years for RPS compliance. To date, the Commission has not found that later departing load customers are owed credits to the PCIA when bundled service customers use Pre-2019 Banked RECs for RPS compliance.

Second, the Joint IOUs offer the following alternative scope of issues:

1. Is the proposal to value Pre-2019 Banked RECs at a value other than zero dollars consistent with applicable law and Commission precedent? This question includes but is not limited to the following sub-questions:

    a. Is it consistent with indifference principles to modify one aspect of the former PCIA methodology for the benefit of a current customer group without accounting for other cost-shifts that resulted from the former PCIA methodology?

[4] *See* D.25-12-028, pp. 111-112, Conclusion of Law (COL) 14; D. 25-12-027, Finding of Fact (FOF) 15; D.24-12-039, p. 68; D.23-11-094, p. 60.

b. Would valuation of the Pre-2019 Banked RECs at a value other than zero dollars create unreasonable "unintended consequences" in the context of the existing Voluntary Allocation and Market Offer (VAMO) process (see D.21-05-030, COL 2)?

c. Are there characteristics of RECs generated prior to January 1, 2019, that make them categorically different from RECs generated after January 1, 2019?

2. How does potential valuation of the pre-2019 REC bank impact the compliance market for RECs and RPS-eligible energy?

3. If the answer to Issue 1 is determined to be yes, should the Commission direct IOUs to apply a value other than zero dollars when Pre-2019 Banked RECs are valued for ratemaking in the 2026 and later ERRA Forecast proceedings? If so, how should such value be determined and allocated while adhering to indifference principles for all customers?

   a. Could the 2019 Banked RECs[5] valuation methodology adopted in Section 6.11.5 of D.25-12-008, resolving San Diego Gas & Electric Company's 2026 ERRA Forecast proceeding, be applied to equitably distribute the costs and benefits of Pre-2019 Banked RECs?

   b. If the Commission is to establish a valuation for Pre-2019 Banked RECs, which were included in generation revenues collected prior to 2019, how should the Commission modify the PCIA ratemaking, balancing accounts, and/or tariffs to effectuate the valuation?

Other than CalCCA, AReM and DACC, no Party has expressed an objection to the Joint IOUs' proposed scope of issues.

2. Comments from CalCCA

The Preliminary Statement of Issues generally describes the issues that should be taken up in Track 2 of this proceeding. However, two clarifying changes should be made that would assist all parties and the Commission to more efficiently resolve the issues in this Track.

First, the Commission should provide clarity on Issue (1)(b): "Does Issue (1)(a) rest on a faulty premise?" Specifically, the Commission should state which premise or premises it believes could

[5] The Joint IOUs note that the original wording of this sub-question in the Preliminary Statement of Issues describes the valuation methodology from SDG&E's proceeding as applicable to Pre-2019 Banked RECs. However, the methodology adopted in SDG&E's ERRA Forecast decision addressed *2019* banked RECs (not Pre-2019 Banked RECs). The correction is reflected in this revised scope of issues.

be faulty. As it stands now, it is not clear if this question refers to whether statements (1) and (2) in the second paragraph of Issue (1)'s preamble are correct, or if this question refers to the equitable distribution of costs and benefits as stated in Issue (1)(a). CalCCA appreciates the Commission attempting not to prejudge which premises the parties might wish to challenge, but the open-endedness adds confusion, and it would be helpful if the Commission could provide clarity.

Second, the Commission should amend the language in Issue (1)(c) to make it clear what aspect of the valuation methodology adopted in Section 6.11.5 of D.25-12-008 it is contemplating adopting on an industry-wide basis. For example, the Commission should clarify if it wants parties to address: (a) whether all IOUs should prioritize using RECs generated after 2018 (as adopted in D.25-12-008); (b) whether the IOUs should allocate the credit for any retired pre-2019 banked RECs to all vintages and not just to the vintage that generated the REC (based on the same allocation the IOUs use to credit all Retained RPS); or (c) whether IOUs should value the credit for using any banked REC for compliance at the incremental *difference* between the RPS of the year used for compliance and the RPS of the year in which a REC was generated.[6] The Commission should state explicitly what in D.25-12-008 it seeks parties' views on and—to the extent it is issue (c)—should clarify that this question refers to the treatment of 2019 banked RECs (not pre-2019 banked RECs).

3. Comments from AReM and DACC

AReM and DACC have conferred with counsel for CalCCA and support and endorse their comments on the proposed scope of issues.

4. Comments from Cal Advocates

While Cal Advocates does not object to the proceeding scope, Cal Advocates recommends that Scoping Issue Two be further clarified by replacing or supplementing the current scoping issue two with the below three scoping questions. This clarification would benefit the parties, because Scoping Issue Two as presently drafted may discuss the relative value of pre-and pst-2019 banked RECs too narrowly by refereeing "characteristics of RECs" rather than including a discussion of

[6] This treatment was approved for 2019 banked RECs in D.25-12-008.

the differences between the indifference methodology used prior to 2019 and the indifference methodology established in D.19-10-011. If there are disputed facts regarding (a) whether -, and (b) the way that – customers, both bundled and unbundled, have a claim on the dollar value or compliance value of pre-2019 banked RECs, the previous wording of (2) may not be broad enough. Cal Advocates proposes the below modifications.

Cal Advocates' Proposed Modified Scoping Issue Two

1. Are there characteristics of RECs generated prior to January 1, 2019, that make them categorically different from RECs generated after January 1, 2019?

2. Is it reasonable for RECs generated prior to January 1, 2019 to be valued using MPBs developed using data from later years?

3. How does the methodology used to allocate RECs, expenses, or revenues from RPS-eligible resources prior to 2019 impact the manner or extent to which the Commission should allocate the value of pre-2019 banked REC to bundled and unbundled customers?

C. Comments on the Preliminary Track 2 Schedule

Parties generally agree that the Preliminary Track 2 Schedule is reasonable, with the addition of an entry for a Rule 13.9 case management statement as reflected in the table below. CLECA states that it does not have any issues with the proposed schedule. Cal Advocates states that it does not have any objection to the proceeding schedule in the December 26, 2025 Ruling. The following are comments from certain other Parties on the Preliminary Track 2 schedule.

1. Comments from the Joint IOUs

The Joint IOUs generally support the proceeding schedule set forth in the Ruling and recommend that the proceeding schedule be augmented to include a deadline for a joint case management statement addressing items identified in Rule 13.9 by April 9, 2026, including the need for hearing to address any disputed material issues of fact. The Joint IOUs support April 24, 2026, as an alternative evidentiary hearing date in the event that evidentiary hearings are needed.

2. Comments from CalCCA

The goal of the proposed schedule (to reach a decision before the Fall/October Update so the methodology ultimately adopted can be incorporated into updated testimony) and the timing between the events in the schedule are reasonable for the scope of issues proposed by the ALJ's Ruling. However, to reach those goals, two issues should be resolved.

First, due to CalCCA's witness being unavailable on April 28, CalCCA sought the other parties' position on moving the hearing to April 24 or any day during the week of April 20-24. As of 11:00 AM on January 16, CalCCA received no objection in response to this request.

Second, CalCCA raised a concern relating to the proposed schedule for the final decision in the Meet and Confer with the parties, and raise it here for potential discussion in the Prehearing Conference. The proposed schedule has a Proposed Decision Voting Meeting scheduled for September 3, 2026. This appears to be an attempt by the Commission to propose a schedule that reaches a decision in Track 2 in time for the IOUs to implement guidance from that decision in their Fall/October Updates in their 2027 Energy Resource Recovery Account (ERRA) Forecast proceedings. This is the correct approach.

However, in two 2026 ERRA Forecast cases, the Commission indicated that IOUs would be required to implement—in their Fall/October 2026 Updates—any decision relating to the treatment of pre-2019 banked RECs that was reached by September *1*, 2026. In D.25-12-028 (SCE 2026 ERRA Forecast decision), the Commission states, "Should the Commission issue updated guidance on the appropriate valuation of Pre-2019 Banked RECs *prior to September 1, 2026*, SCE will be required to incorporate that guidance into its 2026 October Update."[7] In D.25-12-027 (PG&E 2026 ERRA Forecast decision) the Commission states, "Should the Commission issue updated guidance on the appropriate valuation of Pre-2019 Banked RECs *prior to September 1, 2026*, PG&E will be required to incorporate that guidance into its 2027 ERRA forecast Fall Update, filed in 2026."[8] Decision 25-12-027 also orders

[7] D.25-12-028 at 113 (emphasis added).

[8] D.25-12-027 at 32 (emphasis added).

"Should the Commission issue updated guidance on the appropriate valuation of Pre-2019 Banked RECs *prior to September 1, 2026*, PG&E shall incorporate that guidance into its 2027 ERRA forecast Fall Update."[9]

The easiest way to resolve this apparent technical two-day discrepancy is for all three IOUs to make voluntary commitments in the prehearing conference that they will implement any guidance from a September 3, 2026, Decision in their 2027 ERRA forecast Fall/October Updates. That would avoid any procedural issues relating to changing the two 2026 ERRA Forecast Decisions, and give all parties assurances regarding the two-day discrepancy.

Alternatively, the parties should discuss a schedule at the prehearing conference that shortens each deadline in the proposed schedule by a few days, so as not to dramatically shorten the Commission's deliberative time while enabling it to vote on any proposed decision at their August 13, 2026, business meeting. CalCCA is amenable to other solutions that ensure the methodology can be incorporated into the Fall/October Updates.

3. Proposed Revised Proceeding Schedule

In light of Party input, the Parties propose the following updates to the Preliminary Proceeding Schedule:

[9] D.25-12-027 at OP5 (emphasis added).

Event	Date
Track 2 Scoping Memo	Early February 2026
Opening Testimony	March 2, 2026
Reply Testimony	March 30, 2026
Rule 13.9 Joint Case Management Statement	**April 15, 2026**
Evidentiary Hearing	~~April 28, 2026~~ **April 24, 2026**
Deadline to Present Settlement	May 15, 2026
Opening Briefs	May 22, 2026
Reply Briefs	June 5, 2026
Proposed Decision Issues	July 31, 2026
Opening Comments on Proposed Decision	August 20, 2026
Reply Comments on Proposed Decision	August 25, 2026
Proposed Decision Voting Meeting	September 3, 2026

D. Comments on Material Legal and Factual Issues in Dispute

The Parties generally agreed at the meet-and-confer that a full inventory of contested legal and factual issues should be prepared after opening and reply testimony has been served. To this end, a modification to the procedural schedule to include submission of a Rule 13.9 Joint Case Management Statement (Case Management Statement) is proposed. Parties expect to identify in the Case Management Statement material legal and/or factual issues that remain in dispute and whether an evidentiary hearing is required to address material contested issues of fact. Parties were also given an opportunity to submit written position statements in lieu of identifying a complete list of legal and

factual disputes. Parties who have submitted comments specify below certain material legal and factual issues that have been initially identified as being in dispute.

CLECA agrees with the Parties that, at this time, it is premature to identify material factual and legal disputes and the need for hearings. Cal Advocates understands that there are disputed issues of material fact and law between the parties but is presently unable to identify an exhaustive list of disputed facts prior to the introduction of testimony and evidence from the parties.

1. Comments from the Joint IOUs

The Joint IOUs submit that a detailed identification of material factual and/or legal issues in dispute is premature at this time. As discussed above, parties propose to identify material legal and/or factual issues that are in dispute, and whether an evidentiary hearing is required to address material contested issues of fact, in a Rule 13.9 Joint Case Management Statement prepared after opening and reply testimony has been served. The Joint IOUs note generally, however, that the primary question to be addressed in the instant proceeding is whether a second valuation of Pre-2019 Banked RECs is consistent with applicable law and Commission precedent, including, but not limited to, Sections 365.2, 366.2 (a)(4); 366.2 (d)(1); 366.2 (g); and 366.3. This issue of Pre-2019 Banked REC valuation is primarily a matter of law and policy that is best addressed through briefing.

As noted in the Ruling, all pre-2019 PCIA-eligible RECs were valued in IOU generation rates under a former ratesetting methodology.[10] The former methodology used to value the RECs included administratively set benchmarks to forecast the value of the RECs and included that forecast value as one component of the former PCIA methodology. Bundled customers paid for the forecast RECs in generation rates, and departing load customers paid PCIA charges that were reduced by the REC value. The PCIA rate that was charged reduced departing load customer cost responsibility by the administratively determined value of RECs remaining with bundled service customers. (§ 366.2 (g)) Any true-up associated with RECs, or any other PCIA-eligible attribute, was the sole cost responsibility of bundled service customers. In 2018, the Commission concluded that PCIA methodology then in effect

[10] Ruling at 3.

"[led] to outcomes that are inconsistent with Sections 365.2 and 366.3 to the Public Utilities Code," and prospectively revised the methodology. The historic methodology was not revised to correct historic rates to address cost shifts but was replaced by a new fundamentally transformed methodology.

It is the IOUs' position that valuing pre-2019 RECs a second time for the purpose of prospective PCIA ratesetting conflicts with the Commission's statutory obligations. The Commission is obligated to ensure bundled service customers do not experience any cost increase due to the implementation of a CCA program. (§§ 365.2, 366.3) Plainly, a second valuation imposes a new cost on bundled service customers for attributes recovered in rates a decade ago or more, as part of a former ratesetting mechanism that the Commission concluded did not meet statutory requirements. The Commission cannot ensure bundled customer indifference to load departure if it is to order a second valuation, years later. Moreover, applying the REC valuation approach established under the current PCIA framework to pre-2019 RECs is inconsistent with the Commission finding that the current PCIA valuation methodology ". . . appl[ies] to RECs generated commencing January 1, 2019 and going forward."[11] Finally, the potential cost of IOU reliance on RPS bank was not considered when VAMO activities were ordered by the Commission and may pose unintended market and other consequences in IOU portfolio planning. This proceeding should also examine the policy consequences of any valuation, including broader impacts to RPS markets. The Commission should issue a Decision in Track 2 concluding that no PCIA credit for ratemaking purposes is to accrue to departing load customers when pre-2019 RECs are used. Pre-2019 RECs were fully valued under the former PCIA ratemaking formula as required by applicable Commission decisions in-place at that time and re-valuation years later on one single component of a prior PCIA methodology conflicts with the Commission's statutory obligations to bundled service customers.

11 D.19-10-001, Finding of Fact (FOF) 8.

2. Comments from CalCCA

Per the Parties' agreement in the meet and confer to provide only high-level statements of material questions of fact in dispute in this filing, the following facts are in dispute:

- Whether customers that were bundled when pre-2019 RECs were purchased by the IOU at the applicable MPB for that year (Then-Bundled Customers), but later left bundled service (Now-Departed Customers), should receive a credit or benefit for their payment for those RECs at the current RPS MPB when bundled customers (Now-Bundled Customers) use those same RECs for their RPS compliance.

- Whether Now-Departed Customers previously received any credit or benefit for their payment for those RECs through the Power Charge Indifference Adjustment or otherwise, and if so, when and how did the IOU do so, and which vintage(s) did it credit.

- Whether the credit to Now-Departed Customers for use by Now-Bundled Customers of pre-2019 banked RECs to meet current RPS compliance obligations only relates to the portion of the banked RECs purchased by Now-Departed customers in the year the REC was banked.

- Whether a credit to Now-Departed Customers for use by Now-Bundled Customers of pre-2019 banked RECs to meet current RPS compliance results in Now-Bundled Customers paying twice for any pre-2019 banked RECs.

- Whether valuing banked RECs at the RPS Adder in the year those RECs were used for compliance constitutes a true-up of the RPS Adder from the year in which those RECs were generated.

- Whether RECs used for compliance in any year (*e.g.*, 2026) benefit customers receiving bundled service in that year (2026).

- Whether IOUs have the ability to purchase RECs on a short-term basis for compliance in the market, *e.g.*, bilaterally or from brokers.

- Whether the Commission and IOUs have the information necessary to calculate the value of a pre-2019 banked REC to credit the appropriate Now-Departed customers for their purchase of the pre-2019 banked REC when they were still a bundled customer.

- Whether crediting the vintage in which pre-2019 banked RECs were banked allocates the credit to customer groups proportionately to their original contribution to purchase those RECs.

- Whether there are characteristics of pre-2019 banked RECs that make them categorically different from RECs generated after January 1, 2019, such that they should not be valued using MPBs developed using data from later years.

- Whether any IOU previously credited departed customers at the RPS Adder MPB when it used pre-2019 banked RECs toward bundled customer RPS compliance.

This list of material disputed facts is not exhaustive as more granular facts may also be in dispute, and as further material disputed facts may be raised over the course of the proceeding. CalCCA reserves the right to modify this list at the appropriate time.

3. Material Questions of Law in Dispute

Per the Parties' agreement in the meet-and-confer to provide only high-level statements of material questions of law in dispute in this filing, the following questions of law are in dispute:

- Whether the Public Utilities Code Section 365.2, 366.2, and 366.3 requirements (that the Commission ensure indifference and prevent cost shifts) require that when an IOU uses pre-2019 banked RECs for compliance on behalf of its Now-Bundled Customers in years after Now-Departed Customers leave bundled service, those Now-Departed Customers must receive a credit for Now-Bundled Customers using these pre-2019 banked RECs to meet their current RPS compliance obligations.
- Whether any Commission precedent prohibits or requires pre-2019 banked RECs be valued at the RPS MPB.

This list of material disputed questions of law is not exhaustive as more granular questions may also be in dispute, and as further material disputed questions may be raised over the course of the proceeding. CalCCA reserves the right to modify this list at the appropriate time.

4. Comments from AReM and DACC

AReM and DACC have conferred with counsel for CalCCA and support and endorse their comments on the material facts in dispute, material legal disputes.

E. Comments on the Need for Evidentiary Hearing

As discussed above, the Joint IOUs believe that the question of the appropriate methodology for valuing pre-2019 RECs is primarily a matter of law and policy that is best addressed through briefing. It is not clear at this time that evidentiary hearings will be necessary in Track 2. However, the Joint IOUs support inclusion in the procedural schedule of a placeholder evidentiary hearing date. The Commission should direct parties seeking an evidentiary hearing to make their request in the Rule 13.9 Joint Case Management Statement, and should further require parties requesting an evidentiary hearing to identify

the specific material issues of disputed fact they wish to address and limit the scope of the evidentiary hearing to the issues identified.

CalCCA states that an evidentiary hearing is likely to be necessary, depending on the development of the record, the positions taken by the parties on various factual questions, responses to discovery, and any settlement discussions that may take place. In recent proceedings relating to the pre-2019 banked REC issue, PG&E's 2026 ERRA Forecast case went to hearing, and the parties narrowly avoided a hearing in SCE's 2026 ERRA Forecast case. Getting to the truth of some of the parties' arguments has been and would be helped by sworn cross examination, as it was during those cases. The Commission should reserve a day of hearing on the calendar in case it is needed, and the parties should provide an update to the ALJ in the Rule 13.9 status report, which will contain the parties' final positions on the need for that hearing day.

AReM and DACC have conferred with counsel for CalCCA and support and endorse their comments on the need for evidentiary hearings.

Cal Advocates states that evidentiary hearings may be necessary to resolve these issues. Cal Advocates proposes that the parties identify the material facts in dispute after the introduction of evidence in a joint case management statement following a Rule 13.9 meeting with all parties.

F. Comments on the Potential for Settlement

The Joint IOUs support the identification of a settlement deadline in the procedural schedule.

CalCCA states that different parties have litigated this issue eleven times in various prior proceedings, and—given the failure of the parties to reach a settlement or consensus in any of those proceedings on even some of the most basic facts and questions of law—it is unlikely that the parties will settle the issue. CalCCA does, however, note that it regularly has productive dialogues and negotiations with the other parties in this docket, and expects that those channels of communication will remain open during this proceeding.

Cal Advocates believes that there is potential for settlement in this proceeding and is amenable to participating in settlement talks or alternative dispute resolution, should the Commission have such resources available.

G. Comments on the Prospect of Alternative Dispute Resolution

The Joint IOUs support the use of standard rulemaking processes, and not an alternative dispute resolution, to resolve this matters in controversy concerning Pre-2019 Banked RECs.

CalCCA states that due to the unlikelihood of settlement, the magnitude of the resources at issue, and the fact that CalCCA and the IOUs have already developed and honed their positions in almost a dozen other proceedings, an adjudicated resolution by the Commission is likely required and alternative dispute resolution is unlikely to be successful.

Cal Advocates believes that there is a potential for settlement in this proceeding and is amenable to participating in settlement talks or alternative dispute resolution, should the Commission have such resources available.

H. Additional Issues Raised by CalCCA

1. Data Access

During the meet-and-confer, CalCCA raised the issue of data access (including the categories and timeframe for that data) needed by all parties for analysis of proposals in the case, including proposals expected to be introduced and considered in Track 3. CalCCA noted that, during the last PCIA rulemaking, the issue of data access took approximately six months to resolve at the beginning of the case. While the existing protocols of D.06-06-066 may be sufficient as a procedural framework for requesting the information, CalCCA would like to discuss how to prevent extensive discovery requests or disputes by establishing any additional framework, including the required list and timeframe for this data. CalCCA hopes to discuss this issue during the PHC to alert the Commission to the fact that guidance from the Commission may soon be needed, especially for Track 3.

2. SCE Confidentiality Protocols Regarding Pre-2019 Banked RECs:

In its ERRA dockets, SCE has claimed that the fact of whether they need or have needed to use pre-2019 banked RECs in a given year for RPS compliance is confidential. The other IOUs keep the quantities of RECs that may be necessary for compliance confidential, but do not keep confidential the question of *whether* the use of such RECs is or was necessary in any given year.

CalCCA has not yet challenged SCE's confidential designation, but during the meet-and-confer, CalCCA encouraged SCE to revisit its position that this information needs to be confidential and consider whether it will claim so in this docket. CalCCA noted that SCE's position on this has resulted in substantial redactions in the ERRA cases, which has taken significant time and effort.

SCE agreed to considering the matter, and CalCCA hopes we can discuss this issue briefly when appropriate in the PHC.

III.

CONCLUSION

The Parties appreciate the opportunity to provide these recommendations before the prehearing conference scheduled for January 23, 2026, and look forward to participating in the prehearing conference.

Respectfully submitted on behalf of the Joint IOUs,

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By: Daniel R. Culhane

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Date: January 16, 2026