



August 29, 2025

Devon Brown, EPA Award Official
U.S. Environmental Protection Agency
Office of the Greenhouse Gase Reduction Fund
Office of the Administrator
1200 Pennsylvania Avenue NW
Washington DC 20460

FILED

01/16/26

11:15 AM

A2205022

RE: Disagreement with Modification No. 1 to Grant Number (FAIN): 84092302, dated August 8, 2025

Dear Mr. Brown,

On August 8, 2025, the California Public Utilities Commission (CPUC) received the attached "Assistance Amendment" that states that it is modifying Grant No. 84092302 to stop work, terminate the EPA's agreement with the CPUC, reduce performance period duration, curtail scope of work, and waive certain reporting requirements. The Assistance Amendment states that the recipient demonstrates its commitment to carry out the award by drawing down funds within 21 days after the amendment mailing date or by not filing a notice of disagreement within 21 days after the amendment mailing date. It further instructs the CPUC to furnish a notice of disagreement to the EPA Award Official, listed as Devon Brown, if the CPUC disagrees with the terms and conditions specified in this award.

With this letter, the CPUC notices its disagreement with the Assistance Amendment. The alleged requirement that the CPUC file a notice of disagreement within 21 days is unsupported and contrary to the Code of Federal Regulations, 2 C.F.R. § 1500.15 and the August 7, 2025 memorandum from the EPA to CPUC entitled "Termination of EPA Assistance Agreement." Each provide that an affected entity may dispute an EPA decision by electronically submitting a Dispute to the DDO identified in the agency decision within 30 calendar days from the date the Agency Decision is electronically sent to the affected entity. The CPUC will respond to the EPA's attempt to terminate the CPUC's award per the process set forth in 2 C.F.R. § 1500.15 and the August 7, 2025 memorandum.

However, for the avoidance of doubt, through this letter, the CPUC disagrees with the August 8, 2025, Assistance Amendment. The CPUC disagrees with the terms and conditions in the Assistance Amendment, including but not limited to the unilateral termination, the change in project period, the requirement to file a notice of disagreement,

and the instruction that the CPUC demonstrates its commitment to carry out the award by drawing down funds within 21 days and should not draw down funds in case of disagreement. The CPUC disagrees that the authority referenced in the Assistance Amendment, 2 C.F.R. § 200.340(a)(4), provides a basis to terminate the CPUC's award, and notes that EPA's August 7, 2025 memorandum purporting to terminate the award did not reference or purport to rely on this authority. The CPUC also does not agree that it demonstrates its commitment to carry out the terms and conditions of the August 8, 2025 amended assistance agreement by drawing down funds.

Please acknowledge receipt of this notice of disagreement and contact the CPUC via the below-signed designee to discuss resolution of this disagreement as soon as possible.

Sincerely,

Daniel Buch

Daniel Buch
Program Manager
Electric Rates, Customer Generation, Demand Response, and Rate Discounts Branch
Energy Division
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