

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Establish
Energization Timelines.

Rulemaking 24-01-018

**COMMENTS OF THE PUBLIC ADVOCATES OFFICE ON
PROPOSED DECISION ESTABLISHING A STANDARD OFFER FOR
FLEXIBLE SERVICE CONNECTIONS**

MARYBELLE C. ANG

Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 696-7329
Email: marybelle.ang@cpuc.ca.gov

ANTHONY ABI ABDALLAH

Utilities Engineer

Public Advocates Office
California Public Utilities Commission
320 West 4th Street
Los Angeles, CA 90013
Email: anthony.abiabdallah@cpuc.ca.gov

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I. INTRODUCTION

Pursuant to the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, Rule 14.3, and Chief ALJ Cooke’s cover memo to the Proposed Decision Establishing a Standard Offer for Flexible Service Connections (Proposed Decision) filed December 24, 2025 in Rulemaking (R.) 24-01-018, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby submits these comments. The Proposed Decision establishes a tariffed “Standard Offer” that provides customers interim service under a Flexible Service Connection (FSC) until the upstream capacity constraint is addressed.¹ The Proposed Decision directs Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) to file Tier 2 Implementation Advice Letters that establish the Standard Offer tariff.² To address record gaps and support refinement and accountability, the Proposed Decision requires (1) biannual reporting on the Standard Offer per the data fields listed in Appendix C of the PD, and (2) a separate report due of January 15, 2029 that evaluates the cost-efficiency of the Standard Offer and its effect on the revenue requirement.³ Cal Advocates generally supports the Proposed Decision’s adoption of the Standard Offer for FSC. However, the Commission should modify the Proposed Decision to cure the following errors:

- The Proposed Decision does not specify what information PG&E and SCE must provide to support the “benefit to customers and ratepayers” determination in the Implementation Advice Letter. The Commission should require PG&E and SCE to describe in the Implementation Advice Letter the criteria and process PG&E and SCE will use to make and document their customer and ratepayer benefit determination.
- Appendix C does not require tracking of 24-value LLP requests and outcomes, which is necessary to evaluate implementation of the 24-value option. The Commission should update Appendix C to add a

¹ R.24-01-018, *Decision Establishing a Standard Offer for Flexible Service Connections*, December 24, 2025 (PD), at 15.

² Proposed Decision at 16.

³ Proposed Decision at 47 and 48.

tracking field that reports whether a 24-value Limited Load Profile (LLP) was requested, whether it was provided, and if not provided, the reason.

- Appendix C does not include the minimum information needed to compare the adopted LLP schedule to the underlying capacity profile used to set it, which limits the Commission’s ability to refine Standard Offer requirements. The Commission should update Appendix C to add a reporting requirement that enables comparison of the adopted LLP schedule to the underlying capacity profile used to set it.

II. BACKGROUND

The Commission initiated R.24-01-018, *Order Instituting Rulemaking to Establish Energization Timelines* (Energization Timelines proceeding), on January 25, 2024. The Energization Timelines proceeding aims to provide guidelines and set timelines for the energization of electrical corporation customers.⁴ The March 24, 2024 *Assigned Commissioner’s Scoping Memo and Ruling* (Scoping Memo) established a set of issues to be addressed in two Quasi-Legislative Phases of the Energization Rulemaking. These comments address the issues presented in the Proposed Decision, which are a component of issues three and four of Phase 2 of the Scoping Memo: (3) should additional actions beyond compliance with Senate Bill 410 and Assembly Bill 50 be implemented to improve energization timelines, processes, or tariffs in Phase 2 of this proceeding; and (4) what actions can expedite energization projects, including when upstream upgrades are necessary.⁵

III. DISCUSSION

A. The Commission Should Clarify the Standard Offer Benefit Determination Required in the Implementation Advice Letter.

The Proposed Decision establishes a “benefit to customers and ratepayers” condition for the Standard Offer, but it does not specify the minimum information PG&E and SCE must provide in the Implementation Advice Letter to support, document, and

⁴ R.24-01-018, Order Instituting Rulemaking to Establish Energization Timelines, January 25, 2024. Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M524/K427/524427971.PDF>

⁵ Proposed Decision at 6.

allow review of that determination.⁶ As a result, the record provided by an Implementation Advice Letter may be insufficient for the Commission and parties to assess the reasonableness of the utilities' processes and the basis for the "benefit to customers and ratepayers" determination for the Standard Offer.

The Proposed Decision establishes a tariffed Standard Offer FSC that allows customers who face distribution capacity constraints to energize sooner while they operate under an LLP.⁷ The Proposed Decision directs PG&E and SCE to file a Tier 2 Implementation Advice Letter to establish the tariffed Standard Offer FSC.⁸ Among other things, the Proposed Decision requires that:

Irrespective of the characteristics that cause a customer to be an ideal candidate, PG&E and SCE shall clarify in the Implementation Advice Letter that they will provide a customer with a Standard Offer upon their determination that there exists a LLP whose operation will result in a benefit to both the customer and to ratepayers.⁹

Absent a clear requirement, PG&E and SCE may respond at a general level rather than provide project-level criteria and process details. This concern is not theoretical. The Proposed Decision notes that PG&E and SCE have previously responded with only general descriptions when asked what information is used to identify suitable candidates.¹⁰ Given that the Proposed Decision ties PG&E's and SCE's provision of the Standard Offer to a "benefit to customers and ratepayers" finding, the Proposed Decision should articulate with sufficient specificity how that finding will be made and applied in practice.¹¹

A clearer Implementation Advice Letter requirement will improve transparency and reduce the risk of disputes when parties review the Implementation Advice Letters.

⁶ Proposed Decision at 18.

⁷ Proposed Decision at 15.

⁸ Proposed Decision at Ordering Paragraph (OP) 1, at 65.

⁹ Proposed Decision at 18.

¹⁰ Proposed Decision at 18.

¹¹ Proposed Decision at 60.

The Commission should revise this requirement to include a specific description of the criteria and process PG&E, and SCE will use to support their “benefit to customers and ratepayers” determination. That description should, at a minimum:

1. Identify the ratepayer cost elements and ratepayer benefit elements the utilities will consider when deciding to offer the Standard Offer;
2. Explain how the “benefit to customers and ratepayers” determination will be made and recorded; and
3. Align this determination with the cost and performance tracking requirements that the Proposed Decision directs PG&E and SCE to develop with Energy Division and include in the Implementation Advice Letter.¹²

Finally, the Proposed Decision’s language surrounding the “benefit” that customers and ratepayers stand to gain from an LLP is vague and inconsistent. The PD initially states “PG&E and SCE shall clarify in the Implementation Advice Letter that they will provide a customer with a Standard Offer upon their determination that there exists a LLP whose operation will result in a benefit to both the customer and to ratepayers.”¹³ However, while the PD’s description of the Standard Offer determination process relies on “a benefit” finding, the PD’s Conclusions of Law refer to a determination that an LLP’s operation result in “significant benefit to both the customer and to ratepayers.”¹⁴ This inconsistency creates ambiguity about the applicable threshold required for the Implementation Advice Letter and subsequent review: the PD does not clearly define what constitutes a “benefit” or “significant benefit” to customers and ratepayers.

At other places, the Proposed Decision more clearly discusses the importance of cost-effectiveness and ratepayer-impact. For example, the Proposed Decision recognizes that existing recordkeeping is “not sufficient to assess either the project level or program

¹² Proposed Decision at 47.

¹³ Proposed Decision at 18.

¹⁴ Proposed Decision at 18 and 60.

level cost efficiency” of current offerings.¹⁵ The Proposed Decision further requires PG&E and SCE to later report an “assessment of the Standard Offer’s cost-efficiency” and an “assessment of the effect the Standard Offer has had upon revenue requirement.”¹⁶ These directives indicate that the Commission intends the “benefit to ratepayers” screen to be grounded in cost-effectiveness and revenue-requirement impacts.

Accordingly, to resolve the Proposed Decision’s ambiguity regarding the applicable “benefit to ratepayers”, the Implementation Advice Letter should apply a ratepayer benefit standard under which ratepayer value exceeds incremental implementation costs (net benefit). To avoid ambiguity as to the applicable threshold, the Commission should clarify that the benefit for ratepayers should mean an expected “net benefit.” The Commission should modify its requirement on the “benefit to customers and ratepayers” determination as shown below, and make the corresponding change to Conclusion of Law 11 as shown in Appendix A. Proposed deletions are shown in strikethrough and proposed additions are shown with underline. The Commission should modify the discussion language on Page 18 of the Proposed Decision as follows:

Irrespective of the characteristics that cause a customer to be an ideal candidate, PG&E and SCE shall ~~clarify~~ describe in the Implementation Advice Letter the criteria and process they will use to determine and to document that they will provide a customer with a Standard Offer upon their determination that there exists a LLP whose operation will result in a net benefit to both the customer and to ratepayers. This includes ratepayer cost and benefit elements considered and how this determination aligns with the cost and performance tracking required for the Standard Offer.¹⁷

B. The Commission Should Add Relevant Tracking Fields to the Standard Offer Refinement Biannual Reports.

The Proposed Decision explains that Appendix C provides a “preliminary set of the data whose collection and reporting will be required to assess performance and

¹⁵ Proposed Decision at 58.

¹⁶ Proposed Decision at 66.

¹⁷ Proposed Decision at 18.

inform future refinement of the Standard Offer.”¹⁸ However, as drafted, Appendix C does not include the minimum reporting fields necessary to accomplish the Proposed Decision’s stated purpose for biannual Standard Offer reporting. Specifically, Appendix C does not require tracking fields needed to evaluate Standard Offer performance and inform future refinement, including fields that would allow evaluation of whether LLP design choices leave usable capacity unserved and whether the 24-value option is being implemented in practice. This is an internal inconsistency in the PD’s framework. The PD authorizes customers to request a 24-value LLP when technically feasible because greater granularity has the “potential to deliver greater capacity to customers.”¹⁹ Yet Appendix C does not require reporting that would show whether, where, and why that option is implemented, or whether the adopted LLP is materially below the capacity profile the utility relied upon. Without these fields, the Proposed Decision’s biannual reporting framework cannot remedy record gaps or support the refinement role the Proposed Decision assigns to Appendix C.

The Proposed Decision requires PG&E and SCE to report the Standard Offer data “listed in Appendix C” in the biannual reports required by Decision (D.) 24-09-020, beginning with the September 30, 2026 report.²⁰ The Proposed Decision identifies Appendix C as the “minimum data fields to be tracked for Standard Offer refinement”.²¹ Appendix C of the Proposed Decisions also includes a general “Description of LLP by season or by specified dates”, basic energization timing fields, and a headroom value field.²² At the same time, the Proposed Decision adopts minimum LLP granularity (at least three seasons and at least two daily capacity values per season) and provides

¹⁸ Proposed Decision at 48.

¹⁹ Proposed Decision at 20.

²⁰ Proposed Decision at 48.

²¹ Proposed Decision at Appendix C.

²² Proposed Decision at Appendix C.

customers the option to request a 24-value LLP when technically feasible, with the customer bearing the incremental cost of that option.²³

Also, Appendix C does not clearly require structured reporting that shows whether 24-value LLPs are being requested or provided, or that enables comparison of an adopted LLP schedule to the underlying capacity profile used to set it. The Commission should add the following two targeted fields, as shown below, to Appendix C of the Proposed Decision.

- 24-value LLP: Requested? Provided? If not, reason.
- LLP vs. capacity profile: Overlay plot comparing adopted LLP schedules to underlying capacity profiles used to set it.

These additions allow the Commission and parties to evaluate whether minimum LLP granularity is systematically binding below the underlying capacity profile and whether 24-value LLPs are being meaningfully implemented. That information is necessary to refine the Standard Offer to maximize value from existing infrastructure, consistent with ratepayer interests.

IV. CONCLUSION

The Commission should revise the Proposed Decision to: (1) require PG&E and SCE to provide a specific, reviewable description in the Implementation Advice Letter of how they will apply and document the “benefit to customers and ratepayers” determination for the Standard Offer, and (2) update Appendix C to include targeted additional tracking fields that enable the Commission and parties to evaluate 24-value LLP usage and to compare adopted LLP schedules against the capacity information used to establish those schedules. These limited clarifications will improve transparency and support refinement of the Standard Offer consistent with ratepayer interests.

²³ Proposed Decision at 21. To support Standard Offer refinement, the biannual reports should include sufficient information to evaluate whether the Standard Offer design maximizes use of existing capacity and whether implementation choices leave usable capacity unserved.

Respectfully submitted,

/s/ MARYBELLE C. ANG

Marybelle C. Ang
Attorney

Public Advocates Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 696-7329
E-mail: marybelle.ang@cpuc.ca.gov

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APPENDIX A

PROPOSED CHANGES TO DICTA, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS

Proposed deletions are shown in strikethrough and proposed additions are shown with underline.

Conclusions of Law (COL):

COL 11:

It is reasonable to require PG&E and SCE to ~~clarify~~ describe in the Implementation Advice Letter the criteria and process the will use to determine and to document that they will provide a customer with a Standard Offer upon their determination that there exists a LLP whose operation will result in a ~~significant~~ net benefit to both the customer and to ratepayers. This includes ratepayer cost and benefit elements considered and how this determination aligns with the cost and performance tracking required for the Standard Offer.