

**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**



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**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE
PROPOSED DECISION OF COMMISSIONER ALICE REYNOLDS
ESTABLISHING A STANDARD OFFER FOR FLEXIBLE SERVICE
CONNECTIONS**



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SUMMARY OF RECOMMENDED CHANGES TO THE PROPOSED DECISION

As presented in TURN's Opening Comments, the PD should be modified to:

- Clarify that the Standard Offer is limited to agreements which will not adversely impact non-participating ratepayers, based on known and estimable cost factors.
- Require the IOUs to submit information on Standard Offer cost-efficiency on an annual basis beginning one year after implementation, rather than three years after implementation.
- Direct future development of long-term FSC use cases in a subsequent track or proceeding (such as the High DER (R.21-06-017) proceeding), and instruct the IOUs to ensure that Standard Offer language does not preclude a customer's future participation in another type of FSC agreement.
- Require SDG&E to work with SCE and PG&E to prepare an FSC Standard Offer that it will implement if bridging solutions become necessary for SDG&E to timely meet energization requests in its service territory.
- Designate the Implementation Advice Letter as Tier 3 instead of Tier 2.

In addition, TURN recommends in these Reply Comments that the PD:

- Adopt Cal Advocates' recommendation to require the utilities to describe ratepayer cost benefit analysis criteria and process in the Implementation Advice Letter. Accordingly, the PD should reject arguments that system and ratepayer benefit should not be criteria for the FSC Standard Offer.
- Reject arguments that SDG&E does not anticipate future capacity constraints and should not be required to prepare energization bridging solutions.

REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON THE PROPOSED DECISION OF COMMISSIONER ALICE REYNOLDS

Pursuant to Rule 14.3 of the California Public Utility Commission’s Rules of Practice and Procedure, The Utility Reform Network (TURN) submits these reply comments in response to parties’ opening comments on the Proposed Decision (PD) of Commissioner Alice Reynolds establishing a Standard Offer for Flexible Service Connections, issued December 24, 2025.¹

I. THE PD SHOULD BE MODIFIED TO REQUIRE THE UTILITIES TO PRESENT THEIR RATEPAYER COST BENEFIT ANALYSIS CRITERIA IN THE IMPLEMENTATION ADVICE LETTER

TURN supports Cal Advocates’ recommendation that “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.”² By establishing that FSC agreements should benefit ratepayers, the PD requires the IOUs to make an assessment of costs and benefits based on known and estimable factors, as noted in TURN’s opening comments.³ The PD should direct the IOUs to spell out the ratepayer cost and benefit assessment elements in the Implementation Advice Letter. This requirement would support accountability and provide an opportunity for stakeholder input. The inclusion of these important details in the Implementation Advice Letter also provides an additional reason why the filing should be designated as Tier 3, which requires Commission approval and greater oversight than Tier 2 Advice Letters.⁴

TURN disagrees with parties arguing that ratepayer benefits should not be a requirement for providing Standard Offer FSCs.⁵ CALSTART argues that requiring ratepayer benefits should not be an obstacle to FSC agreements because (1) it is unclear how the IOUs should assess ratepayer impacts, and (2) that “the cost of static FSCs is typically very small.”⁶ EDF similarly asserts that a case-by-case analysis would (1) pose too much of an administrative burden, and (2)

¹ Per the Commission’s announcement of the Proposed Decision, the due date for parties’ opening comments was extended to January 16, 2026 and reply comments to January 23, 2026.

² Cal Advocates Comments on PD, p. 1.

³ TURN Comments on PD, p. 2.

⁴ TURN Comments on PD, pp. 5-6.

⁵ CALSTART Comments on PD, pp. 9-10; EDF Comments on PD, pp. 304.

⁶ CALSTART Comments on PD, p. 9.

that the costs haven't been shown to be significant for ratepayers.⁷ The Commission can resolve the first shared concern by requiring the IOUs to propose benefit-cost assessment criteria in the Implementation Advice Letter, as discussed above. These criteria should provide for streamlined and administratively simple assessments of FSC cost-effectiveness. If the second point proves true, and FSC agreements pose minimal additional costs relative to their incremental value to the system, the ratepayer benefit requirement will not pose a barrier to FSC agreements.

II. THE PD SHOULD BE MODIFIED TO REQUIRE SDG&E TO PREPARE FOR FLEXIBLE SERVICE CONNECTIONS

SDG&E's opening comments argue that the PD should be modified to clarify that there is "no present or anticipated barrier to customer energization in SDG&E's service territory."⁸ The utility claims that "there is no evidence that distribution capacity constraints that interfere with customers' ability to energize load are likely within the SDG&E service area" and thus, the PD should not presume that SDG&E will need to offer FSC agreements at any point in the future.⁹ This argument is at odds with SDG&E's application for an SB 410 ratemaking mechanism, filed in April 2025, in which SDG&E requested over \$300 million for additional distribution capacity projects due to growing energization in its service territory.¹⁰ This included a request for additional contingency funding due to "significant forecast uncertainty."¹¹ There, SDG&E stressed that the utility was underperforming in five energization target categories,¹² and would need additional funding for distribution capacity investments to avoid future backlogs.¹³ Considering these explicitly anticipated cost pressures, SDG&E should be subject to the same obligations as the other large IOUs to prepare cost-effective bridging solutions, including FSCs.

Multiple parties share TURN's view that the Standard Offer requirements should be extended to SDG&E.¹⁴ Requiring SDG&E to develop the same offerings in collaboration with SCE and PG&E will ensure that it is well-positioned to facilitate electrification in the event of

⁷ EDF Comments on PD, pp. 3-4.

⁸ SDG&E Comments on PD, p. 2 (emphasis added).

⁹ SDG&E Comments on PD, p. 3.

¹⁰ TURN Comments on PD, p. 4

¹¹ D.25-10-034 in A.25-04-015, p. 44.

¹² D.25-10-034 in A.25-04-015, p. 9.

¹³ D.25-10-034 in A.25-04-015, p. 10.

¹⁴ TURN Comments on PD, pp. 3-5; EDF Comments on PD, p. 3; Clean Coalition Comments on PD, p. 2; CALSTART Comments on PD, p. 11.

future capacity constraints. A joint requirement will also mitigate the need for a redundant FSC development process. As Clean Coalition notes, “Unless SDG&E works with PG&E and SCE, the lessons learned from existing pilots will be missed, making the process for SDG&E unnecessarily resource intensive.”¹⁵

III. CONCLUSION

TURN urges the Commission to adopt the Proposed Decision subject to the modifications presented in its opening and reply comments.

Respectfully submitted,

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¹⁵ Clean Coalition Comments on PD, p. 2.