

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Edison
Company (U338E) for Woolsey Fire
Recovery Bond Financing Order Pursuant
to Public Utilities Code Section 850 et
seq.

Application 26-01-007

**PROTEST OF THE PUBLIC ADVOCATES OFFICE
TO THE APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY
FOR WOOLSEY FIRE RECOVERY BOND FINANCING ORDER**

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February 17, 2026

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I. INTRODUCTION

Pursuant to Rule 2.6(a) of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the Public Advocates Office at the Commission (Cal Advocates), submits this timely protest to the *Application of Southern California Edison Company (U 338-E) for Woolsey Fire Recovery Bond Financing Order Pursuant to Public Utilities Code Section 850 et seq. (A.) 26-01-007 (Application)*,¹ Southern California Edison Company (SCE) seeks Commission approval for a financing order to recover costs approved in Commission Decision (D.) 25-12-023 (Woolsey Settlement Decision),² through the issuance of Recovery Bonds.³ SCE contends that the proposed transaction will allow SCE to finance the \$1.951 billion

¹ On January 15, SCE submitted a motion to shorten the time for protests of SCE’s Application, and the time for reply to any such protests. The assigned Administrative Law Judge (ALJ) denied SCE’s motion on January 27, 2026. See ALJ’s *Email Ruling Denying SCE Motion to Shorten Time for Protests*, Jan. 27, 2026.

² D.25-01-042, *Regarding Settlement Agreement Authorizing Cost Recovery For 2017 Thomas Fire And 2018 Montecito Debris Flow*, Feb. 7, 2025.

³ “Recovery Bonds” is defined in Pub. Util. Code, §850(b)(9) as “bonds, notes, certificates of participation or beneficial interest, or other evidences of indebtedness or ownership, issued pursuant to an executed indenture or other agreement of a financing entity, the proceeds of which are used, directly or indirectly, to recover, finance, or refinance recovery costs, and that are directly or indirectly secured by, or payable from, recovery property.” All statutory references are to the Public Utilities Code unless otherwise noted.

Wildfire Expense Memorandum Account (WEMA) costs related to the 2018 Woolsey Fire. According to SCE, the costs to be financed include associated financing costs at a lower cost to customers than via traditional cost recovery.⁴ SCE proposes an expedited proceeding schedule and requests that the Commission approve SCE’s financing order for the Recovery Bonds within 120 days after the filing of the Application, under Public Utilities Code section 850(g).⁵

Cal Advocates is currently conducting discovery and anticipates additional recommendations after further review and analysis.

II. LEGAL BACKGROUND

Senate Bill (SB) 901, enacted on September 21, 2018, authorizes the use of financing to recover “the amount of costs and expenses allocated to the ratepayer as just and reasonable” associated with damages paid by utilities for wildfires.⁶ The Legislature found that issuing rate recovery bonds would provide a utility with the opportunity to begin recovering from ratepayers dedicated fees to finance bonds that would be issued to fund expenses related to damages stemming from wildfires that were caused by electrical infrastructure.⁷ Additionally, the bonds could help reduce bill shock by allowing the payments of the costs (plus interest) to be spread over a longer time period.⁸

Section 850.1 provides that if an electrical utility applies to the Commission for recovery of costs and expenses related to a catastrophic wildfire and the Commission finds some or all of the costs and expenses to be reasonable pursuant to Sections 451 or 451.2, then the utility is authorized to file an application requesting a financing order to

⁴ Application at 1. SCE uses the term “securitization” broadly to discuss the type of securities, or financing, that include the recovery bonds, or issuance of recovery bonds, as defined in Article 5.8 of the Public Utilities Code.

⁵ Application at 22.

⁶ Senate Bill No. 901 (2018), adding Sections 850 *et seq.*, 451, 451.2.

⁷ Senate Floor Bill Analyses of SB 901 (2018), Aug. 31, 2018 (Senate Floor Bill Analyses), at 15, available at: [201720180SB901_Senate Floor Analyses.pdf](#).

⁸ Senate Floor Bill Analyses at 15.

recover these costs and expenses through fixed recovery charges.² In considering an electrical corporation's application for a financing order, the Commission is required to consider the following conditions:¹⁰

- (i) Whether the recovery cost to be reimbursed from the recovery bonds have been found to be just and reasonable pursuant to Section 451 or 451.1, as applicable, or are allocated to the ratepayers pursuant to subdivision (c) of Section 451.2.
- (ii) Whether the issuance of the recovery bonds, including all material terms and conditions of the recovery bonds, including, without limitation, interest rates, rating, amortization redemption, and maturity, and the imposition and collection of fixed recovery charges as set forth in an application satisfy all of the following conditions, as applicable:
 - (I) They are just and reasonable.
 - (II) They are consistent with the public interest.
 - (III) The recovery of recovery costs through the designation of the fixed recovery charges and any associated fixed recovery tax amounts, and the issuance of recovery bonds in connection with the fixed recovery charges, would reduce, to the maximum extent possible, the rates on a present value basis that consumers within the electrical corporation's service territory would pay as compared to the use of traditional utility financing mechanisms, which shall be calculated using the electrical corporation's corporate debt and equity in the ratio approved by the commission at the time of the financing order.

² §850.1(a)(1), amended by Assembly Bill 1054 (2019) and Assembly Bill 1513 (2019). §850(a)(2) similarly states that the electrical corporation may file an application requesting a financing order to authorize the costs and expenses to be recovered through fixed recovery charges, if the Commission finds the costs and expenses to be reasonable under Section 451. "Fixed recovery charges" is defined in §850(b)(7) as certain nonbypassable rates and other charges.

¹⁰ §850.1(a)(1)(A).

III. PROCEDURAL BACKGROUND

On October 8, 2024, SCE filed A.24-10-002 related to the Woolsey Fire,¹¹ seeking recovery in rates the costs recorded in SCE's WEMA for a total of approximately \$5.4 billion, as well as the costs recorded in its Catastrophic Events Memorandum Account (CEMA) for approximately \$84 million. In September 2025, SCE, Cal Advocates, Energy Producers and Users Coalition (EPUB), and Small Business Utility Advocates (SBUA) (collectively, Settling Parties) reached a settlement agreement (Woolsey Fire Settlement). On December 26, 2025, the Commission adopted the Woolsey Fire Settlement in D.25-12-023. The Woolsey Settlement Decision approved for approximately \$1.9 billion of WEMA recorded costs (35%) and approximately \$71 million of the CEMA recorded costs (85%).¹² D.25-12-023 authorized SCE to file a separate application seeking Commission approval to finance the WEMA costs through the issuance of recovery bonds.¹³ Additionally, SCE was authorized to seek recovery of the authorized CEMA costs through the normal course of cost recovery.¹⁴ D.25-12-023 further provided that if the separate application for recovery bonds was denied, SCE would amortize the WEMA Costs over 5 years financed using long-term debt.¹⁵

Following the Woolsey Settlement Decision, on January 14, 2026, SCE submitted this Application seeking a financing order to issue recovery bonds to recover its Commission approved WEMA costs including financing costs, in the amount of \$1.951 billion, under Sections 451 and 850 *et seq.* SCE states that its instant request for

¹¹ A.24-10-002, *Application of Southern California Edison Company for Authority to Recover Costs Related to the 2018 Woolsey Fire Recorded in the Wildfire Expense Memorandum Account and Catastrophic Event Memorandum Account*, Oct. 8, 2024.

¹² D.25-12-023 at 2.

¹³ D.25-12-023 at 37. Under the Woolsey Fire Settlement, SCE would seek issuance of recovery bonds under Section 850 *et seq.*, which would be repaid by customers via a nonbypassable charge if approved. Cal Advocates and EPUC took no position on SCE's anticipated securitization proposal in the settlement. (D.25-12-023, Attachment A, at A-27.)

¹⁴ D.25-12-023 at 38.

¹⁵ D.25-12-023 at 38.

financing order is generally modeled after the framework previously approved by the Commission for the Thomas Fire Financing Order.¹⁶

On January 14, 2026, SCE filed a motion to shorten the time for protests of A.26-01-007 and the time for reply to any such protest, citing Section 850.1(g), which provides that the Commission issue a decision of the application for a financing order under Section 850.1 within 120 days of the filing of such application. On January 27, 2026, the assigned Administrative Law Judge issued a ruling denying SCE's motion (CALJ's Ruling).¹⁷

IV. ISSUES TO BE CONSIDERED

Cal Advocates has conducted a preliminary review of SCE's Application. In addition to the general issues discussed in the Application and testimony, Cal Advocates identified the following specific issues for the Commission to consider in this proceeding. Cal Advocates reserves the right to identify and seek review of additional issues that may arise as its discovery and analysis continues.

- A. How should SCE recover through rates the costs authorized in D.25-12-023, including whether SCE should be authorized to securitize the costs and for what duration?
- B. Whether all the material terms and conditions of the Recovery Bonds are just and reasonable, and consistent with the public interest?
- C. How should the Commission determine the material terms and conditions of the Recovery Bonds are "just and reasonable" under Section 850.1, subdivision (a)(1)(A)(ii)(I)?
- D. To ensure that the issuance of the Recovery Bonds is consistent with the public interest, should the "lowest cost" (i.e., the financing costs associated with the issuance of the Recovery bonds, including the interest rates and other costs)

¹⁶ Application at 7; D.25-08-033, *Decision Approving Financing Order Authorizing Southern California Edison Company's Issuance of Recovery Bonds for Thomas Fire and Montecito Debris Flow*, Aug. 28, 2025.

¹⁷ ALJ's *Email Ruling Denying SCE Motion to Shorten Time for Protests*, Jan. 27, 2026.

ratepayer protections be put in place under Section 850.1, subdivision (a)(1)(A)(ii)(II)?

- E. Whether the proposed duration of the Recovery Bonds is appropriate, optimal, and in the best interest of the ratepayers?
- F. What are the cumulative impacts on ratepayers of the Recovery Bonds in light of SCE's prior recovery bond authorizations (e.g., D.20-11-007, D.21-10-025, D.23-02-023, and D.25-08-033)?
- G. Whether the issuance of Recovery Bonds would reduce customers' rates in contrast to traditional utility financing mechanisms?
- H. Whether the Fixed Recovery Charges are fairly and properly allocated among ratepayers?
- I. What is the Recovery Property that backs the Recovery Bonds, and whether the Recovery Property is properly created?
- J. Whether the pre-securitization financing costs and upfront financing costs claimed by SCE are reasonable?
- K. With respect to the Recovery Bonds, does SCE need to comply with any reporting requirements in addition to the Commission's Financing Rule promulgated in D.12-06-015 (as amended in D.12-07-003), and if so, what additional reporting requirements are appropriate?

V. CATEGORIZATION

Cal Advocates agrees with SCE that this proceeding be categorized as "ratesetting" under Rule 2.1(c).

VI. NEED FOR HEARING

Evidentiary hearings may be necessary if factual disputes arise from discovery.

VII. SCHEDULE

SCE's proposed schedule does not set aside any time for parties to submit comments on the proposed decision (PD).¹⁸ Cal Advocates proposes an alternative

¹⁸ Application at 22-23.

schedule below that includes an opportunity for the parties to submit opening and reply comments on the PD.¹⁹ Cal Advocates’ proposed schedule still maintains a Commission voting meeting date consistent with the 120-day approval or denial period under Section 850.1(g).

Event	SCE’s Proposal	Cal Advocates’ Proposal
Scoping Memo	Feb. 10-12, 2026	February 2026
Concurrent intervenor testimony	Feb. 26, 2026	Mar. 4, 2026
Rebuttal testimony	Mar. 2, 2026	Mar. 6, 2026
Evidentiary hearing	Mar. 5-6, 2026	Mar. 9-10, 2026
Concurrent opening briefs	Mar. 16, 2026	Mar. 16, 2026
Concurrent reply briefs	Mar. 30, 2026	Mar. 23, 2026
Proposed decision		Apr. 2026
Opening comments on PD		7 days from PD
Reply comments on PD		7 days from opening comments
Final decision	May 14, 2026	May 14, 2026

The schedule for this proceeding should be further addressed at the PHC after parties have had more time to evaluate the Application.

VIII. CONCLUSION

Cal Advocates respectfully requests that the Commission adopt the categorization, the scoping issues, and the schedule as proposed in this protest.

¹⁹ Similarly, in the Thomas Fire securitization proceeding, A.25-04-021, the Commission gave parties seven days to file opening comments on the PD, and seven days from the opening comments to file reply comments.

Respectfully submitted,

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