



ALJ/BG5/jds 3/10/2026

FILED

03/10/26

02:10 PM

R2509004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance Demand Response in California.

Rulemaking 25-09-004

ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON DEMAND RESPONSE STAFF PROPOSAL ON BRIDGE YEAR FUNDING AND MODIFYING THE SCHEDULE FOR THE BRIDGE YEAR FUNDING ISSUE

Summary

This ruling invites comments on the Energy Division's staff proposal – titled "IOUs Bridge Year Funding" (Staff Proposal) included as Attachment A to this ruling – and modifies the schedule for the bridge year issue in this proceeding. Comments in response to this ruling and the Staff Proposal are invited to be filed and served no later than April 15, 2026, with reply comments filed and served no later than May 6, 2026.

1. Background

In Decision (D.) 23-12-005, the Commission adopted Demand Response (DR) programs, pilots, and budgets for the years 2024 to 2027. That decision also directed Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) – collectively the investor-owned utilities (IOUs) – to file their 2028-2032 DR Applications on November 1, 2026.¹

¹ D.23-12-005 at Ordering Paragraph 64

On September 29, 2025, the Commission issued the Order Instituting Rulemaking (OIR) for Rulemaking (R.) 25-09-004, titled OIR to Enhance DR in California.

At the start of the last DR rulemaking, the Commission adopted D.14-01-004 to provide bridge year DR program funding.² The Commission approved bridge year funding in D.14-04-004, in part, because it was not “prudent for the [IOUs] to spend time and resources planning for programs that may not fit into a new structure.”³

On February 12, 2026, the Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo) included bridge year funding as a scoped issue.⁴

2. Schedule

This ruling modifies the schedule from the Scoping Memo for the bridge year funding issue as follows:

Bridge Year Funding Schedule		
Event	Date with Evidentiary Hearings	Date without Evidentiary Hearings
Opening Comments on Bridge Year Funding	April 15, 2026	
Reply Comments on Bridge Year Funding	May 6, 2026	
Joint Case Management Statement on Bridge Year Funding	May 27, 2026	
Evidentiary hearing on Bridge Year Funding, if needed	July 2026	-

² D.14-01-004 at OP 1.

³ D.14-01-004 at 6.

⁴ Scoping Memo at 2.

Opening Briefs on Bridge Year Funding, if needed	August 2026	July 2, 2026
Reply Briefs on Bridge Year Funding, if needed	August or September 2026	July 23, 2026
Proposed Decision on Bridge Year Funding	Quarter 3 or 4, 2026	
Commission Decision on Bridge Year Funding	No sooner than 30 days after Proposed Decision.	

The purpose of the May 27, 2026, joint case management statement is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties’ resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

Parties shall meet and confer to clarify and narrow contested facts and issues and explore the possibility of settlement or stipulations in lieu of evidentiary hearing. Pacific Gas and Electric Company (PG&E) shall coordinate with parties to serve a joint case management statement for the bridge year funding issue, by May 27, 2026, with the following information:

- A list of stipulated facts;
- The status of any settlement negotiations;
- Either (i) a waiver of evidentiary hearings from all parties, or (ii) a list of parties requesting evidentiary hearings;
- If requesting evidentiary hearings, the joint case management statement should include (i) a list of disputed material facts, (ii) an explanation – from parties requesting evidentiary hearing – why evidentiary hearing is needed to address disputed

material facts, (iii) estimates of time needed for evidentiary hearings, (iii) an explanation of the time estimates, and (iv) a list of dates for evidentiary hearing between July 13, 2026, and July 31, 2026, that are mutually agreeable to the parties; and

- Whether briefs are needed.

3. Request for Formal Comment

Attached to this ruling is the Staff Proposal. To guide parties' and the Commission's review of the material, this ruling directs parties to provide comment on the Staff Proposal by responding to the questions below.

When responding to the questions below, parties shall organize and submit their comments in the same order in which the issues and questions are presented in this ruling. Further, parties shall indicate which question they are responding to in this ruling. For example, for the first question, parties should indicate they are responding to question "4.1.a."

Parties are invited to file and serve opening comments no later than April 15, 2026, and reply comments no later than May 6, 2026.

4. Questions for Parties

The Staff Proposal presents a variety of recommended actions. Parties are directed to respond to the specific questions below. If applicable, describe any specific changes to the recommendations in the Staff Proposal that the parties believe are needed.

4.1. Bridge Year

The Staff Proposal recommends the Commission authorize a two-year bridge extension of the IOUs' 2027 DR program operations for 2028-2029. The application deadline for the new five-year DR program applications for 2030-2034 would be January 1, 2029. Also, the Commission should authorize additional time and funding for the IOUs to incorporate the Societal Cost Test

(SCT) and other updates into their DR Cost Effectiveness Reporting tools in time for the submission of their 2030-2034 DR applications. Parties are directed to respond to the following questions:

- a. Should the Commission authorize two years of bridge funding for PG&E, SCE, and SDG&E with programs and funding levels similar to the IOUs' 2027 portfolio, excluding pilots, and including a budget to incorporate the SCT in the DR Cost Effectiveness Reporting tool?
- b. What is an appropriate level of funding for integrating the SCT into the 2030-2034 program cycle applications?
- c. Should the Commission consider other critical modifications to the IOUs' 2027 DR programs and budgets if authorizing funding for the bridge years? If so, please recommend specific modifications to the programs and budget amounts for the two-year bridge year extension period.
- d. Is there any other substantive feedback, not addressed above, that parties have on the Staff Proposal's recommendation to authorize 2028-2029 bridge year funding?
- e. Should the Commission authorize an extension of time for the IOUs' 2030-2034 applications until January 1, 2029?
- f. Should the Commission exempt the bridge year portfolios from the SCT requirement?
- g. Is there any other procedural feedback, not addressed above, that parties have on the Staff Proposal's recommendation to authorize 2028-2029 bridge year funding?

IT IS RULED that:

1. Attachment A to this ruling, the Energy Division's staff proposal titled "IOU's Bridge Year Funding," is hereby entered into the record of this proceeding.
2. Interested parties may file and serve comments in response to the Staff Proposal in Attachment A and questions in this ruling by no later than April 15, 2026.
3. Interested parties may file and serve reply comments in response to this ruling by no later than May 6, 2026.
4. The schedule for the bridge year funding issue is modified as set forth above.

Dated March 10, 2026, at San Francisco, California.

/s/ BRANDON T. GERSTLE
Brandon T. Gerstle
Administrative Law Judge