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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Approval of Large Power Dynamic Pricing Rate.

Application 24-06-014

And Related Matter.

Application 24-12-008

ADMINISTRATIVE LAW JUDGE’S RULING MODIFYING THE PROCEEDING SCHEDULE INCLUDING THE ADDITION OF SUPPLEMENTAL TESTIMONY

This ruling modifies the schedule of the proceeding, including the addition of supplemental testimony. Southern California Edison (SCE) is directed to serve supplemental testimony no later than April 24, 2026, and parties are invited to serve rebuttal supplemental testimony no later than May 26, 2026.

1. Background

On November 25, 2025, the Assigned Commissioner’s Amended Scoping Memo and Ruling (Amended Scoping Memo) was issued for Application (A.) 24-06-014, et at. The Amended Scoping Memo, among other things, established a schedule that included a March 10, 2026, joint case management statement.

On March 10, 2026, the parties filed and served the joint case management statement. Parties agreed that no evidentiary hearing is necessary. Parties also suggested dates for the proceeding schedule.

2. Modified Schedule

This ruling modifies the schedule adopted in the Scoping Memo to promote the efficient and fair resolution of the application:

EVENT	DATE
SCE supplemental testimony	April 24, 2026
Rebuttal supplemental testimony	May 26, 2026
Last day to serve data requests	May 26, 2026
Last day to serve responses to data requests	June 10, 2026
Joint motion to admit evidence in lieu of evidentiary hearings	June 17, 2026
Opening briefs	July 1, 2026
Rebuttal briefs	July 31, 2026

2.1. Requirements for Supplemental and Rebuttal Supplemental Testimony

This ruling directs SCE to provide supplemental testimony in response to the questions below.

SCE's responses to the questions in this ruling shall be organized in the same order they are shown in this ruling. Further, SCE shall indicate which question it is responding to in its supplemental testimony. Parties' rebuttal supplemental testimony should follow the same organizational requirements noted above.

SCE is directed to serve supplemental testimony no later than April 24, 2026, and parties are invited to serve rebuttal supplemental testimony no later than May 26, 2026.

2.2. Questions for SCE's Supplemental Testimony

SCE is directed to provide supplemental testimony in response to the following questions:

2.2.1. Customer Protection Options for Small and Medium Customers

In D.25-08-049, the Commission acknowledged concerns raised by parties that two-part subscription-plus-dynamic tariffs may not be appropriate for smaller customers given their reliance on historic usage data.¹ The Commission further noted that although two-part subscription-plus-dynamic tariffs provide customer protection and revenue stability benefits, there were concerns about understandability and implementation for small and medium customers.² The Commission recommended distinct customer protection approaches for large and small customers and identified bill limiters as a viable alternative to subscriptions.³ Bill limiters are mechanisms that set a maximum cap on the total electric bill, either on a monthly or annual basis, ensuring that it does not exceed a certain percentage above the amount the customer would have to pay if their bills were based on their Otherwise Applicable Tariff.⁴

SCE proposed that Standard Dynamic Rate (SDR) customers receive subscriptions calculated by SCE for each month based on prior-year historical consumption.⁵ In contrast, SCE's Large Power Dynamic Rate (LPDR) customers would receive static, negotiated subscriptions based on historical monthly usage averaged over the past three years, with the subscription shape and quantity remaining fixed unless changed by mutual agreement.⁶

¹ Decision (D.) 25-08-049 at 116.

² D.25-08-049 at 117.

³ D.25-08-049 at 114, 120 and Conclusion of Law (COL) 29.

⁴ D.25-08-049 at 114.

⁵ SCE-01 at 14 (A.24-12-008, December 20, 2024).

⁶ SCE-04 at 24 (A.24-06-014, et al., October 28, 2025).

SCE shall respond to the following questions regarding subscription design methodology for small and medium customers:

1. Should subscriptions, as proposed by SCE for the SDR, be a required part of the dynamic rate for all customer classes? If not, should subscriptions be limited to customers above a specified demand threshold? What demand threshold would be reasonable? For example, should subscriptions only be required for customers with a monthly demand above 500 kW? If subscriptions are not required for some or all SDR customer classes, are there any revenue recovery concerns? SCE shall address whether its dynamic rate design - which includes dynamic prices, demand charges, and fixed charges that are calibrated to recover all authorized revenues through Equal Percentage Marginal Cost (EPMC) scalars - is revenue neutral for each class in the absence of subscriptions.
2. If subscriptions are not required for some or all SDR customer classes, what cost and timeline impacts would this have on SCE's implementation plan? Specifically:
 - a. If subscriptions are not part of the dynamic rate for residential and small/medium commercial customers, would the costs and timeline associated with implementing the billing system changes necessary for dynamic rates be reduced? If so, please quantify the estimated reduction relative to SCE's current cost estimates.
 - b. If subscriptions are not part of the dynamic rate for any SDR customer class (i.e., subscriptions are limited to LPDR customers only), would the costs and timeline be further reduced relative to scenario (a) above? If so, please quantify the estimated reduction.
3. Should bill limiters be considered as an alternative to subscriptions for certain customer classes? If so, for which customer classes would bill limiters provide customer protection without the complexity and risk of a two-part subscription-plus-dynamic rate?

4. Should bill limiters include both a floor and a cap to address revenue recovery concerns? If so, what range is reasonable? For example, is a range of 50% to 150% of the otherwise-applicable TOU bill a reasonable initial range? Should the range differ by customer class, and should bill limiters apply on a monthly or annual basis?
5. Is it reasonable for the costs and revenues associated with bill limiter events (i.e., the difference between the dynamic bill and the cap/floor amount) to be contained within each customer class through a balancing account mechanism, rather than recovered across all ratepayers?
6. Should bill limiters apply to both the generation and delivery portions of a customer's bill, or to generation only? If generation-only bill limiters are adopted, is it reasonable for such bill limiters to be applicable only to SCE's bundled customers? What implications would generation-only bill limiters have for Community Choice Aggregation (CCA) and Direct Access (DA) customers?
7. If SCE were to implement generation-only bill limiters as the customer protection option for its bundled SDR customers, in lieu of subscriptions, what cost and timeline impacts would this have on SCE's implementation plan? Would the costs and timeline associated with implementing the billing system changes necessary for dynamic rates be reduced relative to two-part subscription-plus-dynamic rate? If so, please quantify the estimated reduction.
8. If, assuming the Proposed Rates are approved, SCE is directed to initiate a workshop or a working group process to research and propose alternative customer protection mechanisms for certain customer classes, what should be the procedural mechanism to approve an alternative mechanism? For example, would a Tier 3 advice letter be appropriate?
9. Should there be an evaluation and reporting process to annually track revenue recovery impacts of customer protection mechanisms? If so, what data should be part of

this reporting process and what should be the procedural mechanism? For example, would a Tier 2 advice letter be appropriate?

2.2.2. Subscription Update Methodology and Multi-Year Bill Impacts

SCE has proposed that SDR customers have their subscriptions calculated by SCE for each month based on prior-year historical consumption. Customers with demand below 500 kW do not have the option to override SCE's calculated subscription.⁷ Only sub-transmission customers above 500 kW have the option to select an alternative to SCE's calculated subscription.⁸ Specifically, SCE states:

"Frequency of Subscription updates: For large power customers served at sub-transmission service voltages, updating subscriptions will follow SCE's proposals in the Large Power Dynamic Pricing Rate Application. For all other customers, SCE will calculate subscriptions for each month based on prior year(s) historical consumption and will set subscriptions before the billing cycle in which a customer's subscription will be effective."⁹

If a customer's subscription is set based on the prior year's historical usage and updated annually, for a customer who installs distributed energy resources or modifies their consumption in response to dynamic price signals, the subscription in Year 2 will reflect the customer's dynamic price-optimized load shape rather than their original TOU load shape. By contrast, SCE's LPDR subscription methodology (which would also be available for SCE-TOU-8-SUB customers) is static and does not automatically recalculate.

SCE provides bill impact workpapers for a battery energy storage system (BESS) customer whose otherwise applicable tariff is TOU-8-SEC, and hence

⁷ SCE-01 (A.24-12-008, December 20, 2024) at 14.

⁸ SCE-01 (A.24-12-008, December 20, 2024) at 14.

⁹ SCE-01 (A.24-12-008, December 20, 2024) at 14.

these customers would not have the option to select SCE's LPDR subscription methodology. However, these BESS customer bill impact workpapers show only Year 1 bill impacts under the subscription-plus-dynamic rate. The record does not contain an analysis of how annual subscription recalculation would affect bill savings relative to a TOU rate in subsequent years.

SCE shall respond to the following questions regarding its proposed methodology for subscription updates:

10. SCE's testimony states that subscriptions will be calculated based on prior-year historical consumption, but does not specify whether this calculation is performed once at enrollment or annually on a recurring basis. SCE shall clarify whether it proposes a one-time or recurring subscription calculation for SDR customers below the 500 kW demand threshold who are not sub-transmission customers.
11. SCE shall provide a bill impact analysis for a representative TOU-8-SEC BESS customer showing how annual bills and bill savings (relative to TOU) would differ across Years 1 through 5 under:
 - a. An annually updated subscription, where each year's monthly TOU subscription is updated based on prior year's historical consumption; and
 - b. A static subscription as proposed for the LPDR that does not update annually unless requested by the customer.
12. Should subscriptions, if authorized as a required part of the dynamic rate for all or some SDR customers, be automatically updated each year based on the prior year's historical consumption, or be static and updated only upon request by the customer? What are the implications of each approach for:
 - a. Customer bill savings in Year 2 and beyond;
 - b. Customer understandability;

- c. Revenue stability; and
- d. Implementation cost and complexity?

2.2.3. Recovery of Customer Revenues

For each customer class, SCE's pricing design workpapers calculate a flat volumetric charge that recovers all EPMC-scaled customer revenues that are not collected via the otherwise applicable tariff monthly customer charge.¹⁰

According to SCE, this additional flat volumetric charge would maintain revenue neutrality. In D.25-08-049, the Commission noted that rates with flat volumetric charges can diminish load-shifting incentives for customers.¹¹

SCE shall respond to the following questions regarding its proposed rate design methodology to recover EPMC-scaled customer revenues for each customer class:

- 13. Is it reasonable for the dynamic rate of each customer class to include an additional per-customer monthly charge to recover all EPMC-scaled customer revenues that are not being recovered in the existing otherwise applicable tariff customer monthly charge, in the alternative to collecting these revenues as a flat cents-per-kWh energy charge as proposed by SCE? SCE shall provide a calculation of what equivalent per-customer monthly charge would be for each customer class.
- 14. How would an additional revenue-neutral per-customer monthly charge for dynamic rates interact with the subscription structure? Specifically:

¹⁰ For example, for domestic customers per SCE's Domestic Dynamic Pricing Model Workpaper, SCE calculates a volumetric charge of \$0.04449/kWh to recover EPMC scaled customer access revenues that are not collected by the fixed charge as of Oct 2025. SCE Workpaper "SCE 2025.12.10 - Domestic Dynamic Pricing Model Workper.xlsm" at general sheet, Cell AF 28 (December 19, 2025, A.24-06-014 et al.), available at <https://edisonintl.sharepoint.com/teams/Public/regpublic/Regulatory/Documents/Forms/AllItems.aspx?id=%2Fteams%2FPublic%2Fregpublic%2FRegulatory%20Documents%2FPD%2FCPUC%2F22239&viewid=feb4dbaf%2De338%2D4a8f%2D9621%2D913e986c668c&p=true>.

¹¹ D.25-08-049 at 61.

- a. If subscriptions are eliminated for certain customer classes, does the per-customer monthly charge reduce or eliminate revenue recovery concerns for EPMC-scaled customer costs?
- b. Conversely, if both the per-customer monthly charge and subscriptions are required for a given customer class, would EPMC-scaled customer costs be over-recovered?

2.2.4. Alternative Distribution Pricing Methodology

15. If SCE were to implement system-wide rather than locational distribution pricing for all distribution components of the dynamic rate:
 - a. What cost and timeline impacts would this have on SCE's implementation plan, and would the costs and timeline be reduced relative to the locational approach? If so, please quantify the estimated reduction.
 - b. Is it reasonable for SCE's initial dynamic rates to be authorized with system-wide dynamic distribution prices, with locational distribution pricing considered for future implementation after the initial dynamic rate is operational?

2.2.5. Reasonableness Review of Implementation Costs

16. Does SCE have a recommendation for the venue and process to review the reasonableness of implementation costs?¹²

2.2.6. Implementation Timeline of Proposed Rates and Extension of Pilots

17. What is SCE's expected implementation timeline for its proposed rates, and does SCE see a need to extend its current dynamic rate pilots?¹³

¹² See CA-02 (A.24-06-014, et al., January 16, 2026); CA-04 at 4-6 (A.24-06-014, et al., February 17, 2026).

¹³ SCE's current dynamic rate pilots are set to expire December 31, 2027. D.24-01-032 at 1, 40, 52, COL 19.

IT IS RULED that:

1. The schedule of this proceeding is modified as set forth above.
2. SCE is directed to serve supplemental testimony no later than April 24, 2026, in response to the questions provided in this ruling.
3. Parties are invited to serve rebuttal supplemental testimony no later than May 26, 2026.

Dated March 25, 2026, at San Francisco, California.

/s/ BRANDON GERSTLE

Brandon Gerstle
Administrative Law Judge