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R2401018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Establish Energization Timelines.

Rulemaking 24-01-018

**ASSIGNED COMMISSIONER'S AMENDED
PHASE 2 SCOPING MEMO AND RULING**

This amended scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

The Commission initiated the instant Order Instituting Rulemaking (R.) 24-01-018 on January 30, 2024, to allow the Commission to implement certain provisions of Senate Bill (SB) 410 (SB 410, Stats. 2023, Ch. 394) and Assembly Bill (AB) 50 (Stats. 2023, Ch. 317), which require the Commission to establish reasonable average and maximum target energization time periods, and a procedure for customers to report energization delays to the Commission, among other requirements. Both SB 410 and AB 50 authorize the commission to modify or adjust the requirements considered in this Rulemaking for utilities with 100,000 or fewer service connections in California. On September 17, 2024, the Commission issued Decision (D.) 24-09-020, which established the energization timelines required by SB 410.

On September 19, 2025, Governor Newsom signed SB 254 into law. SB 254, among other things: (1) requires the Commission to report to the legislature by January 1, 2027, whether to require electrical corporations to adjust their executive compensation based on whether the electrical corporations meet the energization targets set by the Commission pursuant to SB 410 and AB 50; (2) requires the Commission to establish an enforcement policy “that includes penalties” for not complying with any energization-related remedial actions ordered by the Commission; and (3) requires electrical corporations to retain a third-party auditor to review the electrical corporation’s energization planning and business processes.

The Commission has already directed Pacific Gas and Electric Company (PG&E) and San Diego & Electric Company (SDG&E) to retain auditors pursuant to SB 410 (SB 410 auditors) that will fulfill similar obligations to the auditor(s) the Commission will order utilities to retain pursuant to SB 254 (SB 254 auditors).

2. Issues Added to Scope

The issues listed below are added to the scope of the proceeding.

A. Energization Timeline Compliance, Remedial Actions, and Enforcement Policy

Public Utilities Code Section 934(d) requires the Commission to order utilities to take the “remedial actions necessary to achieve [their energization targets].”

1. How should the Commission determine whether to order utilities to take remedial actions necessary to achieve their energization timeline targets?
2. If the Commission determines that it must order remedial action, what remedial actions should the Commission order?

3. How should the Commission monitor compliance with any remedial actions it orders?
4. How should the Commission satisfy the requirement of Section 934(g) to establish an enforcement policy? In your response, address the following questions:
 - i. Should the Commission use its existing Enforcement Policy (Resolution M-4846) to satisfy the requirements of Section 934(g)?
 - ii. Should the Commission take action in addition to or separate from its existing Enforcement Policy?

B. Should the Commission take any steps to implement the reporting requirements set by Section 935(a)?

C. Auditor Selection

1. Large Investor-Owned Utility (IOU) Auditor Selection

- i. Should the Commission require the Large IOUs to jointly retain a single auditor to satisfy their SB 254 requirements?
- ii. How should the SB 254 auditor coordinate with the SB 410 auditors?
- iii. SB 410 does not allow utilities to pay for its auditing requirements using ratepayer funds, while SB 254 is silent on the topic. Which auditor-related costs should the Commission permit the Large IOUs to recover from ratepayers? Which costs should the Commission not permit the Large IOUs to recover from ratepayers?
- iv. What information should the Commission require the Large IOUs to provide as part of their nonbinding auditor recommendations?
- v. What actions should the Commission take to formalize the SB 254 auditor's nonbinding recommendations?

2. Small and Multi-Jurisdictional Utility (SMJU) Auditor Selection

- i. Should the Commission require the SMJUs to comply with the auditor requirements established by Section 940?
- ii. Should the Commission require the SMJUs to jointly retain a single auditor to satisfy their SB 254 requirements?
- iii. Which costs should the Commission permit the SMJUs to recover from ratepayers? Which costs should the Commission not permit the SMJUs to recover from ratepayers?
- iv. What information should the Commission require the SMJUs to provide as part of their nonbinding auditor recommendations?

D. Improvements to Energization Process.

1. Should the Commission take any actions to further standardize energization processes across utilities? If so, what actions should the Commission take, and why?
2. Should the Commission take any actions, beyond those required by SB 410 and AB 50, to improve energization timelines? If so, what actions should the Commission take, and why?

3. Need for Evidentiary Hearing

The Commission does not anticipate this proceeding will give rise to any contested material issues of fact. Accordingly, this phase does not require an evidentiary hearing. To the extent evidentiary hearings or briefing is needed, parties should submit a motion making such request consistent with the schedule for this phase of the proceeding set forth below.

4. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the rulemaking:

Event	Date
Opening Comments on Scoped Issues	Four weeks from issuance of this ruling
Reply Comments on Scoped Issues	Two weeks after opening comments are filed
Assigned Commissioner’s Ruling providing additional direction on auditor selection	To be determined
Proposed decision	To be determined
Commission decision	To be determined

The proceeding will stand submitted upon the filing of reply comments, unless the Commission requires further evidence or argument.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission’s Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties’ request, the assigned ALJ can refer this proceeding to the Commission’s ADR Coordinator. Additional ADR information is available on the Commission’s website.¹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record,

¹ <https://www.cpuc.ca.gov/PUC/adr/>

consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination² that this is a quasi-legislative proceeding. Accordingly, ex parte communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Rules.

7. Intervenor Compensation

Section 12 of the March 28, 2024 scoping memo and ruling for the instant proceeding states that parties seeking intervenor compensation (ICOMP) should file and serve a notice of intent to claim compensation no later than 30 days after the issuance of the OIR. Pursuant to Pub. Util. Code §1804(a)(1), however, this amended scoping memo raises new issues that were not included in previous scoping memos. It is therefore reasonable for parties seeking intervenor compensation related to this amended scoping memo that have not already filed a notice of intent (NOI) to claim intervenor compensation in R.24-01-018 to be authorized to file an NOI within 30 days of the issuance of this amended scoping memo. Parties that have already filed an NOI in R.24-01-018 should not file any revisions to their initial NOI. Pursuant to Rule 7.2, parties that are eligible to seek ICOMP in an earlier phase of a proceeding remain eligible to seek ICOMP in later phases of the same proceeding.

² Resolution ALJ 176-3537 at 3.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission’s Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.³

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties must not send hard copies of

³ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

documents to Commissioners, Commissioners' personal advisors, the assigned ALJ, or any other member of Commission staff unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add "@cpuc.ca.gov" to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

President John Reynolds is the Assigned Commissioner and Andrew Dugowson is the assigned ALJ for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. An evidentiary hearing is not needed.
4. The category of the proceeding is quasi-legislative.

Dated March 19, 2026, at San Francisco, California.

/s/ JOHN REYNOLDS

John Reynolds
Assigned Commissioner