



**FILED**

STATE OF CALIFORNIA

GAVIN NEWSOM, Governor 04/07/26

**PUBLIC UTILITIES COMMISSION**

02:57 PM

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

A2205022

April 7, 2026

**Agenda ID #24129**  
**Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 22-05-022 et al.:

This is the proposed decision of Administrative Law Judge Valerie Kao. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's **May 14, 2026**, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC: smt

Attachment

Decision PROPOSED DECISION OF ALJ KAO (Mailed 4/7/2026)

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

Application of PACIFIC GAS AND ELECTRIC COMPANY (U39E) for Review of the Disadvantaged Communities - Green Tariff, Community Solar Green Tariff and Green Tariff Shared Renewables Programs.

Application 22-05-022

And Related Matters.

Application 22-05-023

Application 22-05-024

**DECISION IMPLEMENTING CALIFORNIA SHARED RENEWABLES PORTFOLIO**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
DECISION IMPLEMENTING CALIFORNIA SHARED RENEWABLES PORTFOLIO.....	2
Summary.....	2
1. Background.....	2
1.1. Submission Date.....	7
2. Issues Before the Commission.....	7
3. Community Renewable Energy Tariff.....	7
3.1. ReMAT Modifications and Proposed New Tariffs.....	8
3.2. Community Renewable Energy Tariff Implementation.....	11
4. Green Tariff Implementation.....	13
4.1. Recovery of Stranded Legacy Green Tariff Costs.....	13
4.2. Program Oversight.....	15
4.3. Modified Green Tariff Implementation Timelines.....	16
5. DAC-GT Implementation.....	17
5.1. Program Funding.....	17
5.2. Program Evaluation.....	18
5.3. New DAC-GT Programs Administered by Community Choice Aggregators.....	18
6. Program Reporting for Modified DAC-GT, Modified Green Tariff, and Community Renewable Energy Program.....	19
7. Summary of Public Comment.....	21
8. Procedural Matters.....	21
9. Comments on Proposed Decision.....	22
10. Assignment of Proceeding.....	22
Findings of Fact.....	22
Conclusions of Law.....	24
O R D E R.....	26

## DECISION IMPLEMENTING CALIFORNIA SHARED RENEWABLES PORTFOLIO

### Summary

This decision adopts a process to implement the customer community renewable energy tariff adopted by Decision (D.) 24-05-065. Following the United States Environmental Protection Agency's August 2025 termination of California's Solar for All award and the resulting current lack of available external funding, this decision supersedes D.24-05-065 regarding a nonparticipating customer-funded adder.

This decision also addresses Green Tariff program oversight and cost recovery, Disadvantaged Communities-Green Tariff funding and program evaluation, and program reporting for California Shared Renewables Portfolio programs.

This proceeding is closed.

### 1. Background

In Decision (D.) 24-05-065, the California Public Utilities Commission (Commission) evaluated Green Access Program tariff options, including Green Tariff Shared Renewables (GTSR), Disadvantaged Communities-Green Tariff (DAC-GT), and Community Solar Green Tariff. D.24-04-065 established a new California Shared Renewables Portfolio, which consists of a modified Green Tariff, a modified DAC-GT, and a new community renewable energy program.<sup>1</sup> D.24-05-065 also established the framework for the new community renewable energy program, with certain implementation details to be determined in a

---

<sup>1</sup> The Green Tariff Shared Renewables (GTSR) Program originally consisted of two components: the Green Tariff (GT) and the Enhanced Community Renewables (ECR). D.24-04-065 modified the Green Tariff and discontinued ECR.

subsequent decision. These implementation details include all the requirements specified by Public Utilities (Pub. Util.) Code Section 769.3(c), including:

- Complement and align with the requirements of Section 10-115 of the California Building Standards Code (Title 24 of the California Code of Regulations);<sup>2</sup>
- Ensure at least 51 percent of the program's capacity serves low-income customers;<sup>3</sup>
- Minimize impacts to nonparticipating customers by prohibiting the program's costs from being paid by nonparticipating customers in excess of the avoided costs;<sup>4</sup>
- Construction of facilities participating in the program must comply with specified prevailing wage requirements;<sup>5</sup>
- Provide bill credits to subscribers based on the avoided costs of the program's facilities;<sup>6</sup> and
- Prioritize the maximum use of state and federal incentives and accelerate implementation of the program to ensure that time- or quantity-limited federal incentives can be obtained for the benefit of subscribers.<sup>7</sup>

---

<sup>2</sup> Pub. Util. Code §769.3(c)(1); D.24-05-065 at 112, 21-123.

<sup>3</sup> Pub. Util. Code §769.3(c)(2); D.24-05-065 at 118-119, 123-124.

<sup>4</sup> Pub. Util. Code §769.3(c)(3) (specifying that "[q]ualifying funds for financial incentives shall only be available through an appropriation by the Legislature."); D.24-05-065 at 124.

<sup>5</sup> Pub. Util. Code §769.3(c)(4); D.24-05-065 at 124-125.

<sup>6</sup> Pub. Util. Code §769.3(c)(5) (specifying "as determined by the commission's methods for calculating the full set of benefits of distributed energy resources. The commission may use actual wholesale market prices for the energy supply portion of an avoided cost calculation or credit value."); D.24-05-065 at 125.

<sup>7</sup> Pub. Util. Code §769.3(c)(6) (specifying "[a]s part of this prioritization, the commission shall ensure that a community renewable energy facility participating in the community renewable energy program is eligible for an enhanced federal investment tax credit available as a qualified low-income economic benefit project pursuant to subsection (e) of Section 48 of Title 26 of the United States Code."); D.24-05-065 at 118, 125-126.

Importantly, with respect to prohibiting the program's costs from being paid by nonparticipating customers in excess of the avoided costs, D.24-05-065 concluded that the Commission should use the utilities' current Public Utility Regulatory Policies Act (PURPA) compliant tariffs as a foundation.<sup>8</sup>

With respect to state and federal incentives, D.24-05-065 referred to potential grant funding from the federal Inflation Reduction Act and the United States Environmental Protection Agency's (U.S. EPA) Solar for All competition, among other external funding sources.<sup>9</sup> D.24-05-065 also concluded it would be reasonable to use \$33 million appropriated from the state's General Fund to the Commission for the community renewable energy program.<sup>10</sup>

D.24-05-065 also replaced existing reporting requirements for the Green Access Programs with a requirement to quarterly post program metrics to the California Distributed Generation Statistics (DGStats) website.<sup>11</sup>

On June 5, 2024, the assigned Administrative Law Judge (ALJ) issued a ruling inviting parties to comment on the implementation of D.24-05-065, including the new community renewable energy program (June 5, 2024 Ruling).

On April 1, 2025, the assigned ALJ issued a ruling providing notice that U.S. EPA guidance regarding California's Solar for All award requires a five-year "period of performance," including a hard deadline for spending (not encumbering) funds (April 1, 2025 Ruling). The April 1, 2025 Ruling further noted that California's Solar for All Work Plan includes a number of U.S. EPA

---

<sup>8</sup> D.24-05-065 at 111-116, Findings of Fact (FoF) 49, 58, 60, Conclusions of Law (CoL) 9, 15, 16, 17, 18.

<sup>9</sup> D.24-05-065 at 125-126, FoF 61, COL 10.

<sup>10</sup> D.24-05-065 at 118, COL 50.

<sup>11</sup> D.24-05-065 at 130-131, Ordering Paragraphs (OP) 6, 7, 8.

requirements, including Build America, Buy America Act standards, and Davis Bacon and Related Acts requirements. The April 1, 2025 Ruling sought comment on whether these new requirements altered parties' earlier recommendations.

Remote Solar Advocates; California Tribal Energy Collective, Inc. (CTEC); Solar Energy Industries Association (SEIA); Clean Energy Alliance, Silicon Valley Clean Energy, Peninsula Clean Energy Authority, San Diego Community Power, City and County of San Francisco, Clean Power Alliance of Southern California, San Jose Clean Energy (collectively, Joint CCAs and CCSF); Southern California Edison Company (SCE); Dimension Energy, LLC (Dimension Energy); GRID Alternatives; San Diego Gas & Electric Company (SDG&E); San Diego Community Power and Clean Energy Alliance (jointly); Coalition for Community Solar Access (CCSA); Small Business Utility Advocates (SBUA); Pacific Gas and Electric Company (PG&E); Solar Landscape Origination LLC; Clean Power Alliance of Southern California (CPA); the Public Advocates Office at the California Public Utilities Commission; and Foundation Windpower, LLC (Foundation Windpower) timely filed comments. Dimension Energy, CCSA, Foundation Windpower, SDG&E, SBUA, GRID Alternatives, PG&E, CTEC, SEIA, Joint CCAs and CCSF, and SCE timely filed reply comments. This decision addresses party comments as they relate to the determinations we reach.

On June 27, 2025, California's 2025-2026 Budget Bill was enacted. As part of the budget, \$33 million previously appropriated to the Commission for community renewable energy program usage and storage-backed renewable generation programs, reverted to the General Fund.<sup>12</sup>

---

<sup>12</sup> Assembly Bill 102 (Stats. 2025, Ch. 5) Sec. 227.

On July 4, 2025, the federal government enacted Public Law 119-21. Public Law 119-21 significantly modifies, and in some instances repeals, various renewable energy provisions that were enacted as part of the Inflation Reduction Act. Most notably, Public Law 119-21 accelerates the expiration of federal tax credits to the end of 2025 for residential projects and 2027 for commercial projects.<sup>13</sup>

On August 7, 2025, the U.S. EPA Office of Mission Support sent a letter to the Commission's Energy Division providing notice that the U.S. EPA was terminating California's Solar for All award. The State of California and the Commission have challenged the U.S. EPA's termination as unlawful. That litigation remains ongoing.<sup>14</sup>

On January 27, 2026, the assigned ALJ issued a ruling providing an opportunity to comment on the propriety of taking official notice of the U.S. EPA letter (January 27, 2026 Ruling). No party filed a pleading on the propriety of taking official notice or the tenor of the matter to be noticed in response to the ruling. This decision takes official notice of the U.S. EPA letter.<sup>15</sup>

---

<sup>13</sup> Public Law 119-21 (Title VII, Subtitle A, Chapter 5), *accessible at* <https://www.congress.gov/119/plaws/publ21/PLAW-119publ21.pdf> (last accessed January 8, 2026).

The Inflation Reduction Act introduced technology-neutral production (45Y) and investment (48E) tax credits for clean electricity generation, effective starting in 2025 and scheduled to last through at least 2032. For solar and wind electricity, the credit ends for any facilities placed in service after December 31, 2027. However, facilities that begin construction within 12 months of the law's enactment are exempt from this deadline. The credits can no longer be transferred to specified foreign entities or foreign influenced entities beginning in the taxable year following the enactment of the law on July 4, 2025.

<sup>14</sup> The State of California and the Commission have challenged the U.S. EPA's purported termination of California's Solar for All grant as unlawful. That litigation is ongoing. There is no current definitive timeline for when the litigation will be resolved.

<sup>15</sup> *Administrative Law Judge's Ruling Superseding January 16, 2026 Ruling Providing Notice and Opportunity on Taking Official Notice*, issued January 27, 2026.

### **1.1. Submission Date**

This matter was submitted on February 6, 2026, upon the passing of the final date to file comments in response to the January 27, 2026 Ruling.

### **2. Issues Before the Commission**

This decision addresses implementation issues for the California Shared Renewables Portfolio in accordance with D.24-05-065, including a new Community Renewable Energy Tariff, the modified Green Tariff, DAC-GT, and program reporting.

### **3. Community Renewable Energy Tariff**

As of the submission date of this matter, no specific funds from nonparticipating customer sources identified by D.24-05-065 are available. Notwithstanding the lack of available funds to incentivize projects and program participation, this decision finalizes implementation details of the Community Renewable Energy tariff that complies with Pub. Util. Code Section 769.3(c), in accordance with D.24-05-065.

In accordance with Pub. Util. Code Section 769.3(c) and D.24-05-065, this decision determines that the Renewable Market Adjusting Tariff (ReMAT) shall serve as a cost and generation resource foundation for the new Community Renewable Energy tariff. Although D.24-05-065 states that either a PURPA Standard Offer Contract or ReMAT may be used, it is reasonable to select ReMAT. Contracts under ReMAT may be initiated for up to 20 years of deliveries, while the PURPA Standard Offer Contract only permits a 12-year maximum contract length for new facilities.<sup>16</sup> Thus, resources that generate energy for the Community Renewable Energy tariff must meet ReMAT program eligibility and criteria, as established in the ReMAT tariff, and execute new

---

<sup>16</sup> D.24-05-065 at 115-117; *see also* PG&E Reply Comments to June 5, 2024 Ruling at 6.

ReMAT power purchase agreements (PPAs), so that the load serving entity receiving the energy may count the associated renewable energy credits (REC) towards its Renewables Portfolio Standard (RPS) requirements. Further, the executed ReMAT PPAs will count towards the investor-owned utility's (IOU) ReMAT program cap.

Several parties, in comments to the June 5, 2024 and April 1, 2025 Rulings, advocated for a community renewable energy program tariff that would provide compensation in excess of PURPA avoided costs. As determined in D.24-05-065 and further discussed here, providing compensation in excess of PURPA avoided costs would not comply with Pub. Util. Code Section 769.3(c).<sup>17</sup>

### **3.1. ReMAT Modifications and Proposed New Tariffs**

Several parties argue for either modifying PURPA-compliant tariffs, such as ReMAT, or creating a new tariff. In addition, parties propose additional ratepayer-funded compensation based on a combination of capacity, transmission, distribution, and/or other anticipated benefits.

Joint CCAs and CCSF propose to offer a "Community Solar Adder," which they describe as contributing to the overall PPA price paid to the developer, and a "Grid Capacity Adder" to projects in capacity constrained areas. Joint CCAs and CCSF also propose a maximum project size of five megawatts (MW), which is higher than the three MW maximum project size permitted under ReMAT.<sup>18</sup>

---

<sup>17</sup> Pub. Util. Code §769.3(c) ("The community renewable energy program, if established, shall...[m]inimize impacts to nonparticipating customers by prohibiting the program's costs from being paid by nonparticipating customers in excess of the avoided costs. Qualifying funds for financial incentives shall only be available through an appropriation by the Legislature.").

<sup>18</sup> Joint CCAs and CCSF Opening Comments on June 5, 2024 Ruling at 6, 11-14. Joint CCAs and CCSF also propose a "Community Goals Adder," which they state would be paid by the participating CCA.

Dimension Energy asserts that ReMAT program elements, including maximum project size, statewide program size cap, and As-Available Peaking category availability, pose procedural barriers. Dimension Energy further argues that the Commission must establish a new tariff, based on ReMAT, but include time of delivery differentials and a higher project size cap.<sup>19</sup>

Similarly, SEIA recommends using a ReMAT PPA with a 20-year term. However, SEIA asserts that the ReMAT should include updates to each IOU's Payment Allocation Factor, a ratepayer-funded "Capacity Adder" for solar-plus-storage projects, and a "Project Adder" for all projects, to cover any remaining developer costs for solar or solar-plus-storage projects plus non-low-income subscriber credits. SEIA also advocates for expanding the maximum project size to five MW.<sup>20</sup>

CCSA also recommends a maximum project size of five MW, adjusting for time of delivery factors, and providing additional compensation for anticipated locational and transmission and distribution benefits.<sup>21</sup>

Similar to the proposed Net Value Billing Tariff addressed in D.24-05-065, many of the above recommendations would result in nonparticipant-funded

---

<sup>19</sup> Dimension Energy Opening Comments on June 5, 2024 Ruling at 11-14; Dimension Energy Opening Comments on April 1, 2025 Ruling at 5.

<sup>20</sup> SEIA Opening Comments on June 5, 2024 Ruling at 8-9; SEIA Opening Comments on April 1, 2025 Ruling at 7.

<sup>21</sup> CCSA Opening Comments on June 5, 2024 Ruling at 12-23; CCSA Opening Comments on April 1, 2025 Ruling at 7. CCSA's assertion that "[t]he Commission also acknowledged that these foundational tariffs must be modified to comply with the requirements of AB 2316 and Pub. Util. Code Section 769.3," citing to D.24-05-065 at 148, misinterprets D.24-05-065. D.24-05-065's OP 10 directed the IOUs to each submit a Tier 1 advice letter proposing any additional supply-side tariffs applicable for the community renewable energy program; the investor-owned utilities timely submitted those advice letters (PG&E AL 7339-E, SCE AL 4343-E, and SDG&E AL 4485-E) and did not identify any other PURPA-compliant tariffs. The advice letters did not receive comments or protests identifying any omitted or alternative tariffs.

compensation that exceeds avoided costs. Therefore, these recommendations fail to comply with Pub. Util. Code 769.3(c). As PG&E, SCE, and SDG&E explain with respect to the proposed Net Value Billing Tariff, other wholesale procurement mechanisms use least cost best fit criteria and result in lower contracted prices. This means nonparticipating customers would pay more for power from community renewable energy program generators than from ReMAT and other renewable generators, even though these generators share the same traits.<sup>22</sup> Further, such a tariff would divert developers away from the IOUs' competitive solicitations, compounding the cost impact by driving up the cost of renewable power for all ratepayers.<sup>23</sup>

This decision declines to adopt party recommendations that would not comply with Pub. Util. Code Section 769.3, and that would contravene the findings reached in D.24-05-065. D.24-05-065 concluded that the Commission is unable to determine whether a project would avoid any transmission or distribution costs, much less what those avoided costs would be.<sup>24</sup> D.24-05-065 also determined that community solar projects do not modify load and, without the ability of utilities and community choice aggregators (CCAs) to claim Resource Adequacy credits, a project could not avoid generation capacity costs.<sup>25</sup>

Other proposed modifications to the ReMAT tariff cannot be adopted. Adjustments to time of delivery factors would risk ratepayer-funded compensation in excess of PURPA avoided costs. Increasing the maximum

---

<sup>22</sup> PG&E Opening Comments on June 23, 2023 Ruling at 11-12 and 15-16; SCE Opening Comments on June 23, 2023 Ruling at 19-24; SDG&E Opening Comments on June 23, 2023 Ruling at 10; PG&E Reply Comments on June 23, 2023 Ruling at 7-8.

<sup>23</sup> SCE Reply Comments on June 23, 2023 Ruling at 28-29.

<sup>24</sup> D.24-05-065 at 92.

<sup>25</sup> D.24-05-065 at 94-95.

project size to five MW and increasing the statewide program capacity cap would require legislative changes. All of these recommendations, if adopted, would require modifications beyond the scope of this proceeding and would more broadly impact the Commission's RPS procurement policies.<sup>26</sup> Further, as PG&E notes, ReMAT already includes differentiation in contract price based on the timing of expected energy delivery of a project, including projects that utilize energy storage, through different product types.<sup>27</sup> With respect to assertions regarding limited category availability, D.21-12-032 provides that an IOU's remaining MW for multiple product categories may be combined via a Tier 2 advice letter.

With respect to proposals for establishing a new tariff, D.24-05-065 makes clear that the foundational tariff must be an existing tariff that complies with PURPA.<sup>28</sup> Notwithstanding this requirement, the elements of a new tariff must still comply with Pub. Util. Code Section 769.3, which would not occur under CCSA's and Dimension Energy's proposals.<sup>29</sup>

### **3.2. Community Renewable Energy Tariff Implementation**

This section addresses implementation details for the new Community Renewable Energy tariff.

---

<sup>26</sup> PG&E Reply Comments on June 5, 2024 ruling at 5-6; SCE Reply Comments on June 5, 2024 ruling) at 5-6; *see also* D.19-02-007 at 27-28; D.21-12-032 at 24-25.

<sup>27</sup> PG&E Reply Comments on June 5, 2024 Ruling at 5-6.

<sup>28</sup> D.24-05-065's OP 10 directs the IOUs to each submit a Tier 1 advice letter proposing any additional supply-side tariffs applicable for the community renewable energy program; the IOUs timely submitted those advice letters (PG&E AL 7339-E, SCE AL 4343-E, and SDG&E Advice Letter 4485-E) and did not identify any other PURPA-compliant tariffs. The advice letters did not receive comments or protests identifying any omitted or alternative tariffs.

<sup>29</sup> SCE Reply Comments on June 5, 2024 Ruling at 5.

Within 60 days after the issue date of this decision, PG&E, SCE, and SDG&E shall each submit a Tier 2 advice letter outlining the details of their proposed customer Community Renewable Energy tariff. D.24-05-065 directs that the adopted community renewable energy program will use the current tariffs as a foundation and layer on a subscription model.<sup>30</sup> As determined by this decision, each IOU's ReMAT tariff will serve as the cost and generation resource foundation of their respective Community Renewable Energy tariff. It is our expectation that PG&E, SCE, and SDG&E will meet and confer prior to this submission to ensure that their tariffs are as uniform and consistent as practicable. Each IOU's Tier 2 advice letter shall also include a program implementation plan. The implementation plan shall include draft marketing materials to potential participating customers for Commission staff review. The draft marketing materials shall include clear language indicating that the utility (not the participating customer) is assigned the RECs of the generation procured through this program.

Pursuant to Pub. Util. Code Section 769.3(b)(2)(B), CCAs and electric service providers (ESPs) that notified the Commission of their intent to participate in the program may begin participating at any time by notifying the Commission via a Tier 1 advice letter. To minimize impacts to nonparticipating customers, CCAs that participate in the program should align their tariffs with the ReMAT pricing and PPAs of the IOU in whose service territory they operate. A CCA or ESP may also end its participation in the program at any time by notifying the Commission via a Tier 1 advice letter.

---

<sup>30</sup> D.24-05-065 at 117-118.

#### **4. Green Tariff Implementation**

This section addresses implementation of the Green Tariff, including cost recovery of stranded legacy Green Tariff costs, program oversight, and the modified Green Tariff implementation timeline.

##### **4.1. Recovery of Stranded Legacy Green Tariff Costs**

The June 5, 2024 Ruling asked parties to document stranded Green Tariff legacy costs and explain what the cost recovery process should be and who would pay. SDG&E provided opening comments, and the San Diego CCAs provided opening and reply comments. Subsequently, SDG&E and the San Diego CCAs addressed this issue in SDG&E's 2023 Energy Resource Recovery Account (ERRA) compliance proceeding, A.24-06-001. In A.24-06-001, SDG&E proposed to recover stranded GTSR costs through an equal cents-per-kilowatt-hour (kWh) rate applied to all customer classes via the public purpose program surcharge.

The April 1, 2025 Ruling in this proceeding asked parties to comment on (1) whether SDG&E's proposal complies with Assembly Bill (AB) 2838 (Stats. 2022, Ch. 418); (2) whether SDG&E should quantify these stranded costs by customer class and collect such costs on a pro rata basis by customer class; and (3) if cost recovery is approved, what mechanism should be used to collect the funds from customers.

In comments to the April 1, 2025 Ruling, most parties emphasize that parties to SDG&E's 2023 ERRA compliance proceeding litigated the issue, and suggest that it is more efficient to address cost recovery for legacy and modified

Green Tariff programs in each IOU's ERRA compliance proceeding.<sup>31</sup> SDG&E reiterates that legacy Green Tariff costs should be recovered through an equal cents-per-kWh rate similar to San Diego Community Power's DAC-GT and Community Solar Green Tariff programs.<sup>32</sup> PG&E, SCE, SBUA, and Dimension Energy generally agree that if a program closes before the full cost is recovered from participating customers, it is appropriate to recover outstanding costs from all ratepayers. SCE asserts, however, that for its Green Rate and Community Renewables programs, both of which have subscribing customers and waitlists, ongoing legacy Green Tariff program costs should be recovered from participating Green Tariff customers.<sup>33</sup> SBUA argues that the Commission should allocate stranded asset costs to customer classes based on the class's electricity utilization share, including unbundled customers, and then recover from individual customers in each class via a public purpose program per-kWh surcharge.<sup>34</sup> CPA acknowledges that "there are distinctive challenges in recovering costs for the Legacy Green Tariff program in the service territory of [SDG&E]," but agrees with SCE's assertion because it "ensures that the ongoing costs from the Legacy Green Tariff program are not passed on to non-participating customers."<sup>35</sup>

---

<sup>31</sup> San Diego CCAs Opening Comments on April 1, 2025 Ruling at 2-4; SDG&E Opening Comments on April 1, 2025 Ruling at 3; CPA Opening Comments on April 1, 2025 Ruling at 1-3; Joint CCAs and CCSF Opening Comments on April 1, 2025 Ruling at 8; SCE Opening Comments on April 1, 2025 Ruling at 9.

<sup>32</sup> SDG&E Opening Comments on April 1, 2025 Ruling at 3-4.

<sup>33</sup> SCE Opening Comments on April 1, 2025 Ruling at 8-9.

<sup>34</sup> PG&E Opening Comments on April 1, 2025 Ruling at 9; Dimension Energy Opening Comments on April 1, 2025 Ruling at 6-7; SCE Reply Comments on April 1, 2025 Ruling at 6; SBUA Opening Comments on April 1, 2025 Ruling at 1-3.

<sup>35</sup> CPA Opening Comments on April 1, 2025 Ruling at 2.

Because recovery of stranded legacy Green Tariff costs, as it relates to SDG&E, is being addressed in SDG&E's 2023 ERRRA compliance proceeding, this decision refrains from reaching a determination on that specific issue. The circumstances of SDG&E's legacy Green Tariff program, wherein a large number of customers departed to a CCA and generated stranded costs that could not be recovered from participating customers, appears applicable only to SDG&E. However, we anticipate similar treatment of stranded Green Tariff costs should the same or very similar circumstances occur in PG&E's and SCE's territories.

This decision also agrees with most parties' recommendation to address recovery of Green Tariff costs in each IOU's ERRRA compliance proceeding. The Commission will consider the merits of each IOU's cost recovery proposal in their respective ERRRA compliance proceedings, beginning with each IOU's next most feasible ERRRA compliance proceeding.

#### **4.2. Program Oversight**

The April 1, 2025 Ruling asked parties whether the Commission should continue the same level of oversight of the modified Green Tariff program, given that the program is voluntary and fully funded by participants, or if procurement oversight through IOU Procurement Review Group (PRG) meetings and cost oversight through ERRRA proceedings is sufficient.

SDG&E asserts that oversight through advice letters and reporting is sufficient. SDG&E does not oppose discontinuing the annual forum.<sup>36</sup> SCE states the Commission can reduce its level of regulatory oversight by eliminating or reducing regulatory submissions and forums/meetings in favor of PRG meetings and cost oversight through ERRRA proceedings. SCE recommends that the

---

<sup>36</sup> SDG&E Opening Comments on April 1, 2025 Ruling at 4.

Commission authorize SCE to submit Tier 2 advice letters to seek approval to make program changes or to close the program or its account.<sup>37</sup> PG&E does not believe the annual forums and advisory board meetings contribute to the success of the program, and the PRG meetings and ERRA proceedings have proven effective for program governance, oversight, and review of program costs. PG&E further notes that it expects reporting on the status of GTSR in its annual RPS procurement plan to continue upon implementation of the modified Green Tariff, and program metrics will be reported on the DGStats website.<sup>38</sup> CPA agrees that cost oversight of the legacy and modified Green Tariff programs should occur in the annual ERRA proceedings, not advice letters.<sup>39</sup>

This decision finds that, because the modified Green Tariff program is voluntary and fully funded by participants, procurement oversight via PRG meetings and cost oversight via ERRA proceedings is sufficient. This decision discontinues all other required submittals as well as the annual forums and advisory board meetings ordered by D.15-01-051 and modified by Resolutions E-4734 and E-5028, D.16-05-006, D.17-07-007, D.21-12-036, and D.24-05-065.

#### **4.3. Modified Green Tariff Implementation Timelines**

On August 20, 2024, SCE, jointly with PG&E and SDG&E, submitted a request pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure, seeking an extension of time to comply with Ordering Paragraph (OP) 9 of D.24-05-065. OP 9 requires each IOU to submit a Tier 2 advice letter modifying its Green Tariff within 120 days of D.24-05-065's adoption. The IOUs'

---

<sup>37</sup> SCE Opening Comments on April 1, 2025 Ruling at 9-10.

<sup>38</sup> PG&E Opening Comments on April 1, 2025 Ruling at 10.

<sup>39</sup> CPA Opening Comments on April 1, 2025 Ruling at 3.

request asserted that they could not reasonably prepare complete and accurate Green Tariff modifications until after the Commission resolves key implementation details identified in the June 5, 2024 Ruling.<sup>40</sup> That ruling solicited party comment on program design issues necessary to define the modified Green Tariff structure. The IOUs requested that the Commission extend the submission deadline for their Tier 2 implementation advice letters to 90 days following issuance of the Commission's decision on the June 5, 2024 Ruling. On September 5, 2024, the extension request was granted.

As this decision resolves the implementation details identified in the June 5, 2024 Ruling, the IOUs shall submit their Tier 2 advice letters modifying their Green Tariff, as ordered in D.24-05-065, no later than 90 days following the issue date of this decision. The Tier 2 advice letters shall also include a timeline and transition plan for moving legacy Green Tariff customers to the modified Green Tariff if and when the advice letter is approved.

## **5. DAC-GT Implementation**

This decision makes necessary modifications to DAC-GT program funding, program evaluation, and implementation requirements for CCAs proposing to administer new DAC-GT programs.

### **5.1. Program Funding**

AB 1207 (Stats. 2025, Ch. 117) discontinues the provision for the DAC-GT program to be funded by available greenhouse gas (GHG) allowance proceeds, beginning July 1, 2026. Currently, the IOUs are directed by D.18-06-027 to first fund the program using available GHG allowance proceeds, and, if those funds are exhausted, public purpose program surcharge collections. Pursuant to

---

<sup>40</sup> *Ruling Directing Responses to Questions Regarding Implementation of Decision 24-05-065*, issued June 5, 2024.

AB 1207, this decision supersedes D.18-06-027 to direct the IOUs to fund the DAC-GT program using public purpose program surcharge collections. Each IOU must submit a Tier 1 advice letter updating its DAC-GT tariff to reflect this funding change, and shall appropriately account for this funding change when requesting cost recovery in their respective ERRA compliance proceedings.

## **5.2. Program Evaluation**

Because the DAC-GT cost containment cap was only approved on July 24, 2025, this decision supersedes D.24-05-065 with respect to DAC-GT program evaluation.<sup>41</sup> D.24-05-065 specified that program evaluation of the DAC-GT must take place by 2027. It is reasonable to provide some time for new and modified programs to launch and take hold before initiating the next DAC-GT program evaluation. Energy Division shall have two years from the issue date of this decision to share the results of the DAC-GT program evaluation.

## **5.3. New DAC-GT Programs Administered by Community Choice Aggregators**

D.18-06-027 provided that CCAs may seek to offer their own DAC-GT programs (consistent with Commission requirements) via a Tier 3 advice letter. Several CCAs have followed this process to propose administering their own DAC-GT programs.<sup>42</sup> These proposals have been straightforward and did not

---

<sup>41</sup> Resolution E-5367 *Pursuant to D.24-05-065, Approving with Modifications Pacific Gas & Electric Company's and Southern California Edison Company's DAC-GT Cost Containment Cap Proposal Updates*, issued July 30, 2025.

<sup>42</sup> See Resolution E-5102 *Approving with Modification, Clean Power Alliance's Tariffs to Implement the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs*, issued November 9, 2020; Resolution E-5124 *Pursuant to D.18-06-027, Approving with Modification, Community Choice Aggregator Tariffs to Implement the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs* (approving DAC-GT programs proposed by CleanPowerSF, East Bay Community Energy, Marin Clean Energy, Peninsula Clean Energy and San Jose Clean Energy), issued April 16, 2021; Resolution E-5130 *Pursuant to D.18-06-027, Approving with Modification, Community Choice Aggregator Tariffs to Implement the Disadvantaged*

*Footnote continued on next page.*

require the level of scrutiny with which staff typically review Tier 3 advice letters. In addition, we do not anticipate future CCA proposals to require such scrutiny, given that we have already specified the main requirements that all DAC-GT programs must satisfy. It is reasonable to reduce the Commission staff's administrative burden by requiring CCAs to propose new DAC-GT programs via a Tier 2 advice letter. Commission staff will maintain the discretion to dispose of these advice letters via resolution if the advice letter is protested or a resolution is otherwise warranted. This decision supersedes D.18-06-027's requirement that CCAs seeking to administer new DAC-GT programs submit a Tier 3 advice letter.

**6. Program Reporting for Modified DAC-GT, Modified Green Tariff, and Community Renewable Energy Program**

D.24-05-065 replaced existing reporting requirements for the various Green Access Programs with a requirement to post program metrics to the DGStats website quarterly.<sup>43</sup> D.24-05-065 OP 6 requires program administrators to replace prior Green Access Programs reporting requirements with quarterly posting of program metrics on DGStats. OP 8 orders the IOUs and participating CCAs to submit a joint Tier 1 advice letter outlining what was agreed upon at a July 19, 2024 workshop that discussed specific data elements and data formats for program reporting on the DGStats platform.

---

*Communities Green Tariff and Community Solar Green Tariff Programs* (approving DAC-GT programs proposed by Lancaster Choice Energy, Pico Rivera Municipal Energy and San Jacinto Power), issued September 13, 2021; and Resolution E-5246 *Pursuant to D.18-06-027, Approving with Modifications San Diego Community Power's Tariffs to Implement the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs*, issued March 20, 2023. In addition to the above approved CCA DAC-GT programs, Orange County Power Authority submitted Advice Letter 13-E on August 14, 2025 for approval of a new DAC-GT program.

<sup>43</sup> D.24-05-065 at OPs 6, 7, 8.

On August 29, 2024, the IOUs and participating CCAs submitted Joint Advice Letter SCE 5361-E, which outlined the results of the workshop, including a consensus on the proposed reporting metrics. Advice Letter SCE 5361-E was approved on October 16, 2024. On November 14, 2024, the DGStats vendor held a subsequent workshop with the program administrators to discuss the potential process for integrating program data into the DGStats platform. Following this second workshop, the contract for management of DGStats expired. A new contract was awarded to Energy Solutions in 2025.<sup>44</sup> Energy Division staff, the program administrators, and the DGStats vendor are finalizing the data submission template necessary for the inclusion of community renewable energy program data on the platform and are prepared to transition to online program reporting.<sup>45</sup>

This decision directs participating program administrators to complete the transition of required reporting to DGStats or its successor domain within 180 days after the issue date of this decision. Reporting dates shall remain consistent with existing reporting dates (30 days from end of reporting quarter) and July will serve as the annual reporting submission period. This will coincide with the first semi-annual reporting period of the year (30 days from the end of the second quarter).

This decision authorizes cost recovery for implementation of the reporting requirements adopted in D.24-05-065. Because D.24-05-065 replaced prior

---

<sup>44</sup> On November 6, 2024, the DGStats contract was released for competitive solicitation by Southern California Edison Company. Energy Solutions was selected as the winning bidder on March 5, 2025.

<sup>45</sup> Draft Resolution E-5436 *Increased Funding to Maintain and Expand the California Distributed Generation Statistics Website and Orders to Improve Data Collection Quality in the Investor-Owned Utilities' Online Interconnection Application Interfaces*, available for comment on January 15, 2026.

reporting requirements, we do not expect a significant increase in the program administrators' administrative budget line items for reporting. The costs of DAC-GT, modified Green Tariff, and integrating community renewable energy program data into DGStats, or its successor domain, shall be allocated evenly among the participating program administrators (*i.e.*, total cost divided by the number of program administrators). Participating program administrators shall enter into co-funding agreements with SCE, the DGStats contract holder, within 180 days after the issue date of this decision, and document the details and completion of these agreements in their Tier 2 DAC-GT annual budget advice letters.<sup>46</sup> For DAC-GT, these costs shall also be documented in the program administrators' regulatory compliance budgets, which are included in their Tier 2 annual budget advice letters.

## **7. Summary of Public Comment**

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. As of the submission date of this matter, the Commission received no relevant written public comments in this proceeding.

## **8. Procedural Matters**

This decision affirms all rulings made by the ALJ and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

---

<sup>46</sup> D.24-05-065 revised the submission date of the DAC-GT Program Administrators' annual budget advice letters from February 1st to April 1st.

**9. Comments on Proposed Decision**

The proposed decision of ALJ Valerie U. Kao in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

**10. Assignment of Proceeding**

John Reynolds is the assigned Commissioner and Valerie U. Kao is the assigned ALJ in this proceeding.

**Findings of Fact**

1. D.24-05-065 established a new customer community renewable energy program in accordance with Pub. Util. Code Section 769.3(c), with certain implementation details to be determined in a subsequent decision.
2. D.24-05-065 concluded that the new customer community renewable energy program should use current PURPA-compliant tariffs, such as ReMAT and the PURPA Standard Offer Contract, as a cost foundation.
3. D.24-05-065 referred to potential grant funding from the federal Inflation Reduction Act and U.S. EPA's Solar for All competition. D.24-05-065 also concluded it would be reasonable to use \$33 million appropriated to the Commission for the community renewable energy program and storage-backed renewable generation programs.
4. Public Law 119-21 accelerates the expiration of federal tax credits to the end of 2025 for residential projects and 2027 for commercial projects.
5. As part of California's 2025-2026 Budget Bill, \$33 million previously appropriated to the Commission for community renewable energy program

usage and storage-backed renewable generation programs, reverted to the General Fund.

6. The U.S. EPA provided notice that it was terminating California's Solar for All award.

7. Contracts under ReMAT must be initiated for up to 20 years of deliveries. The PURPA Standard Offer Contract allows for a 12-year maximum contract length for new facilities.

8. Providing compensation in excess of PURPA avoided costs would not comply with Pub. Util. Code Section 769.3(c).

9. Increasing the maximum project size to five MW and increasing the statewide program capacity cap would require legislative changes.

10. ReMAT includes differentiation in contract price based on the timing of expected energy delivery of a project, including projects that utilize energy storage, through different product types.

11. SDG&E's proposal for recovery of stranded Green Tariff legacy costs was addressed in its 2023 ERRA compliance proceeding.

12. The modified Green Tariff program is voluntary and fully funded by participants.

13. The Commission's Executive Director granted IOUs' request to extend the final date to submit their modified Green Tariff implementation advice letters to 90 days after resolution of issues involving the implementation of D.24-05-065.

14. AB 1207 discontinues the provision for the DAC-GT program to be funded by available GHG allowance proceeds, beginning July 1, 2026.

15. The DAC-GT cost containment cap was approved by Resolution E-5367 on July 24, 2025.

16. D.24-05-065 directed program administrators of tariffs in the California Renewable Energy Portfolio to conduct data collection and reporting on program operation and outcomes for public posting on the DGStats website. D.24-05-065 specified that this requirement replaces reporting requirements in D.15-01-051, D.16-05-006, D.18-06-027, Resolution E-4999, D.21-12-036 and Resolution E-5028.

17. CCAs that have proposed new DAC-GT programs have had straightforward implementation proposals that do not require heightened scrutiny through a Tier 3 advice letter.

18. The Commission has specified the main requirements for all DAC-GT programs.

19. The cost to implement D.24-05-065's reporting requirement should not significantly increase program administrators' administrative costs associated with reporting.

### **Conclusions of Law**

1. The Commission should adopt a customer Community Renewable Energy tariff consistent with Pub. Util. Code Section 769.3(c).

2. Each IOU should use its ReMAT tariff as the cost and generation resource foundation for its Community Renewable Energy tariff.

3. To minimize impacts to nonparticipating customers, CCAs that participate in the program should align their tariffs with the ReMAT pricing and PPAs of the IOU in whose service territory they operate.

4. CCAs and ESPs that notified the Commission that they will participate in the community renewable energy program, in accordance with Pub. Util. Code Section 769.3(b), should begin and end participation in the program at any time by notifying the Commission via a Tier 1 advice letter.

5. It is reasonable to consider each IOU's Green Tariff cost recovery proposal in its ERRA compliance proceeding.

6. It is reasonable to discontinue all required submittals and the annual forums and advisory board meetings as oversight mechanisms of the modified Green Tariff program.

7. Procurement oversight of the modified Green Tariff program through IOU PRG meetings is sufficient.

8. Cost oversight of the modified Green Tariff program through ERRA proceedings is sufficient.

9. It is reasonable to direct that proposed modifications to each IOU's Green Tariff program shall be made via a Tier 2 advice letter within 90 days following the issue date of this decision.

10. It is reasonable to direct the IOUs to update their DAC-GT tariffs to provide that the program will be funded using public purpose program surcharge collections.

11. It is reasonable to provide time for new and modified programs to launch and take hold before initiating the next DAC-GT program evaluation.

12. It is reasonable to require CCAs seeking to offer new DAC-GT programs to do so via a Tier 2 advice letter.

13. It is reasonable to direct participating program administrators to complete the transition of required reporting to DGStats, or its successor domain, within 180 days after the issue date of this decision.

14. It is reasonable to authorize recovery of the costs to implement D.24-05-065's reporting requirement and to specify a date by which the program administrators must complete their transition of required reporting to DGStats.

15. All ALJ and assigned Commissioner rulings in this proceeding should be affirmed.

16. All motions not ruled on to date should be denied.

17. The Commission should close consolidated A.22-05-022, *et al.*

## O R D E R

### IT IS ORDERED that:

1. Within 60 days after the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall each submit a Tier 2 advice letter to propose a new customer Community Renewable Energy tariff in accordance with Decision 24-05-065 and this decision. This Tier 2 advice letter shall also include a program implementation and marketing plan as described in this decision.

2. Community choice aggregators and electric service providers that notified the Commission that they intend to participate in the community renewable energy program, in accordance with Public Utilities Code Section 769.3(b), shall submit a Tier 1 advice letter to notify the Commission when they begin or end participation in the program.

3. This decision supersedes Decision (D.) 15-01-051 Ordering Paragraph 10 (required monthly and annual reports); Ordering Paragraph 11 (required annual program forums); and Ordering Paragraphs 15 and 17 (required advisory groups) with respect to program oversight of San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company's programs. The modified Green Tariff reporting and meeting requirements in D.15-01-051 Ordering Paragraphs 10, 11, 15, and 17 shall cease as of the issue date of this decision.

4. Within 90 days after the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall each submit a Tier 2 advice letter modifying its Green Tariff as ordered in Decision 24-05-065. The Tier 2 advice letter shall also include a timeline and transition plan for moving legacy Green Tariff customers to the modified Green Tariff if and when the Tier 2 advice letter is approved.

5. Within 30 days after the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company must each submit a Tier 1 advice letter updating the tariff for their Disadvantaged Communities-Green Tariff program to provide that, consistent with Public Utilities Code Section 748.5(c), the program will be funded using public purpose program surcharge collections.

6. This decision supersedes Ordering Paragraph 14 of Decision (D.) 24-05-065 with respect to the program evaluation of the Disadvantaged Communities-Green Tariff (DAC-GT) program. The DAC-GT program evaluation shall continue to be completed in accordance with Ordering Paragraph 7 of D.18-06-027. Energy Division staff will share the results (including recommendations) of the evaluation with the service list no later than two years from the issue date of this decision.

7. This decision supersedes Ordering Paragraph 17 of Decision (D.) 18-06-027 with respect to the requirement for community choice aggregator (CCA) Disadvantaged Communities-Green Tariff (DAC-GT) programs receiving funds consistent with that decision. New CCA DAC-GT programs receiving funds consistent with D.18-06-027 shall be implemented by a Tier 2 advice letter.

8. Within 180 days after the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Program Administrators of tariffs in the California Renewable Energy Portfolio shall complete their transition of required reporting of Disadvantaged Communities-Green Tariff, Green Tariff, and community renewable energy program data to the California Distributed Generation Statistics website.

9. Within 180 days after the issue date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Program Administrators of tariffs in the California Renewable Energy Portfolio shall execute co-funding agreements with Southern California Edison Company that are consistent with Section 5 of this decision for the costs of Disadvantaged Communities-Green Tariff, Green Tariff, and community renewable energy program data integration into the California Distributed Generation Statistics website.

10. Applications 22-05-022, 22-05-023, and 22-05-024 are closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.