

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE



STATE OF CALIFORNIA

FILED

04/27/26

03:34 PM

A2205022

Application of Pacific Gas and Electric Company (U 39-E) for Review of the Disadvantaged Communities – Green Tariff, Community Solar Green Tariff and Green Tariff Shared Renewables Programs.

A.22-05-022

And Related Matters.

A.22-05-023

A.22-05-024

OPENING COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY
(U 338-E) ON THE PROPOSED DECISION IMPLEMENTING CALIFORNIA
SHARED RENEWABLES PORTFOLIO

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Date: April 27, 2026

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(U 338-E) ON THE PROPOSED DECISION IMPLEMENTING CALIFORNIA
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SUBJECT INDEX OF RECOMMENDED CHANGES

Pursuant to Rule 14.3(b) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) provides the following Subject Index of Recommended Change in support of its Opening Comments on the Proposed Decision. SCE contends the Commission's final decision should:

1. Authorize SCE to submit all implementation advice letters within ninety (90) days of the final decision;
2. Authorize SCE to submit Tier 1 advice letters to create balancing accounts or sub-accounts within existing balancing accounts, as applicable, to record and recover all costs associated with the programs addressed in the final decision; and
3. Clarify that forecasts and expenditures of Greenhouse Gas (GHG) cap-and-invest allowance revenues for the DAC-GT program occur in the Energy Resource Recovery Account (ERRA) Forecast, not ERRA Compliance Review, proceeding.

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Pursuant to Rules 14.3 and 14.6 (a)(7) of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE) respectfully submits the following Opening Comments on the Proposed Decision (PD) Implementing Shared Renewables Portfolio.

I.

INTRODUCTION

The Commission’s principled PD adjusts to the loss of external funding that the Commission and parties expected would support the Community Renewable Energy (CRE) program with a pragmatic, lawful, and implementable proposal for a self-sustaining program that protects affordability by preventing cost shifting to nonparticipating customers. Although there are implementation details the PD does not address for CRE and the Modified Green Tariff (MGT) programs, SCE is confident it can address those issues and implement the programs using the PD’s proposed advice letter process. SCE’s PD comments therefore only address: (1)

cost recovery matters that procedurally cannot be deferred to the advice letter process and must be established by the Commission in its final decision; (2) the time allocated to the investor-owned utilities (IOUs) to submit their implementation plans; and (3) a minor clarification regarding the appropriate ERRA proceeding in which to address GHG cap-and-invest allowance revenue forecasts and expenditures for the Disadvantaged Communities Green Tariff (DAC-GT).

I.

THE COMMISSION MUST AUTHORIZE THE UTILITIES TO SUBMIT ADVICE LETTERS ESTABLISHING ACCOUNTS TO RECORD AND RECOVER PROGRAM COSTS

The PD does not meaningfully address cost recovery for the CRE and MGT programs. The IOUs cannot be expected to implement programs that create unfunded mandates. Thus, as discussed more fully below, SCE requests that the Commission authorize balancing accounts or subaccounts.

First, for the CRE program, the PD proposes that each IOU submit a Tier 2 advice letter that, among other things, includes a program implementation plan that includes draft marketing materials to potential participating customers. The program is therefore going to incur at least some incremental costs above and beyond the Renewable Market Adjusting Tariff (ReMAT) contract, the costs of which are recovered in the Portfolio Allocation Balancing Account (PABA). The Commission has already authorized SCE to create the Community Renewable Energy Program Balancing Account (CREPBA) for the CRE program.¹ The CREPBA was intended to record receipt and expenditures of external funding for the CRE program. SCE recommends that the CREPBA remains available for that purpose, should external funds become available, and that the Commission authorize SCE to submit a Tier 1 advice letter within thirty

¹ In accordance with Decision (D.)24-05-065, Ordering Paragraph (OP) 11, SCE submitted Advice 5344-E on July 29, 2024, establishing the CREPBA. Advice 5344-E was approved via disposition letter on September 30, 2024.

(30) days of the final decision to create a subaccount within the CREPBA to allow SCE to record its incremental implementation, marketing, and administrative costs presented in the CRE tariff advice letter. SCE will propose the forecast CRE program implementation and administrative costs in the Tier 2 program implementation plan advice letter, and then annually in the ERRA Forecast proceeding for recovery in customers' Public Purpose Programs Charge (PPPC). SCE proposes using the PPPC, which is collected from all participating and nonparticipating customers, as is customary for virtually all customer programs. The IOUs will then true-up this forecast by recording the difference between the authorized amount and actual implementation and administrative costs in the sub-account of the CRE balancing account with an annual December 31 transfer to the Public Purpose Programs Adjustment Mechanism (PPPAM) for recovery/return from/to customers the following year.

Second, for the MGT, the PD states that the IOUs are to propose recovery of their stranded legacy Green Tariff and MGT costs in their respective ERRA compliance proceedings. While the IOUs have existing balancing and memorandum accounts to track their legacy Green Tariff costs, the PD does not authorize the IOUs to submit advice letters to establish balancing accounts to record and recover MGT costs in their respective ERRA proceedings. Without a balancing account, the IOUs have no way to record the costs for recovery via the ERRA proceedings. SCE therefore requests that the Commission direct the IOUs to establish an MGT balancing account in its Tier 2 MGT implementation advice letter. The balancing account will be established to track the incremental program administration costs as well as the costs of the Renewable Energy Credits (RECs) associated with the renewable power sold to the modified Green Tariff participating customers from SCE's portfolio of eligible resources at the applicable Renewable Portfolio Standard (RPS) Market Price Benchmark (MPB) rate and record the Green Tariff Adder rate billed customer revenues, the annual true-up of the RPS MPB rate, and interest.

II.

THE COMMISSION SHOULD ALIGN THE TIER 2 ADVICE LETTER DEADLINES SO THAT THEY ARE DUE WITHIN NINETY (90) DAYS OF THE DECISION

For the CRE program, the PD requires that the IOUs submit the CRE tariff and related implementation and marketing plan by Tier 2 advice letter within sixty (60) days of the final decision's issuance.² The PD makes it clear that the Commission "expect[s] that PG&E, SCE, and SDG&E will meet and confer prior to [their CRE] submission[s] to ensure that their tariffs are as uniform and consistent as practicable." For the MGT, however, the PD requires that the IOUs submit modifications to their Green Tariffs by Tier 2 advice letter within ninety (90) days, along with a timeline and transition plan for transitioning legacy Green Tariff customers to the MGT. PG&E had proposed the initial MGT and SCE therefore contends SCE and PG&E's MGT tariffs should also be as uniform as possible. Both the CRE and MGT will therefore require the IOUs to collaborate on many open details to develop consistent programs. SCE therefore requests that, instead of allowing sixty (60) days for the CRE tariff advice letter and ninety (90) days for the MGT advice letter, the Commission should afford the IOUs ninety (90) days after the Commission issues its final decision to submit their advice letters for both programs.

III.

THE FINAL DECISION SHOULD CORRECT THE APPROPRIATE ERRA PROCEEDING FOR DAC-GT GHG CAP-AND-INVEST ALLOWANCE FORECASTS AND EXPENDITURES

The PD correctly notes that the Legislature has prohibited continued funding of the DAC-GT program with GHG cap-and-invest allowance revenues. The PD therefore proposes that "each IOU [] submit a Tier 1 advice letter updating its DAC-GT tariff to reflect this funding change, and [] appropriately account for this funding change when requesting cost recovery in

² PD, OP 1.

their respective ERRA compliance proceedings.”³ SCE will update its DAC-GT Preliminary Statement to reflect funding solely through the PPPC and agrees it is appropriate for the Commission to review the operation of SCE’s balancing account in the ERRA Compliance Review proceeding, but all remaining forecasts and expenditures of GHG cap-and-invest allowance revenues for the DAC-GT should continue to occur in the ERRA forecast proceeding. SCE therefore requests that the Commission’s final decision clarify the distinction between what should occur in the ERRA forecast versus the ERRA compliance proceedings.

II.

CONCLUSION

SCE respectfully requests that the Commission modify the PD as discussed herein and shown in Appendix A hereto.

Respectfully submitted,

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³ PD, p. 17.

Appendix A

SCE's Proposed Modifications to Findings, Conclusions, and Orders

SCE's Proposed Modifications to Findings, Conclusions, and Orders

Proposed text deletions are in bold and strikethrough (~~abcd~~)

Proposed text additions are in bold and underlined (abcd)

<i>Findings of Fact</i>	<i>Proposed Modification</i>
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.	

<p>The PURPA Standard Offer Contract allows for a 12-year maximum contract length for new facilities.</p>	
<p>8. Providing compensation in excess of PURPA avoided costs would not comply with Pub. Util. Code Section 769.3(c).</p>	
<p>9. Increasing the maximum project size to five MW and increasing the statewide program capacity cap would require legislative changes.</p>	
<p>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.</p>	
<p>11. SDG&E’s proposal for recovery of stranded Green Tariff legacy costs was addressed in its 2023 ERRRA compliance proceeding.</p>	
<p>12. The modified Green Tariff program is voluntary and fully funded by participants.</p>	
<p>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.</p>	
<p>14. AB 1207 discontinues the provision for the DAC-GT program to be funded by available GHG allowance proceeds, beginning July 1, 2026.</p>	
<p>15. The DAC-GT cost containment cap was approved by Resolution E-5367 on July 24, 2025.</p>	
<p>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-</p>	

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.	

<i>Conclusions of Law</i>	<i>Proposed Modification</i>
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 ERRRA compliance proceeding.	
6. It is reasonable to discontinue all required	

<p>submittals and the annual forums and advisory board meetings as oversight mechanisms of the modified Green Tariff program.</p>	
<p>7. Procurement oversight of the modified Green Tariff program through IOU PRG meetings is sufficient.</p>	
<p>8. Cost oversight of the modified Green Tariff program through ERRA proceedings is sufficient.</p>	
<p>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.</p>	
<p>10.</p>	<p><u>It is reasonable to direct the IOUs to submit Tier 1 advice letters within thirty (30) days of this decision to establish balancing accounts to record and recover Modified Green Tariff costs.</u></p>
<p>11. 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.</p>	
<p>12. It is reasonable to provide time for new and modified programs to launch and take hold before initiating the next DAC-GT program evaluation.</p>	
<p>13. It is reasonable to require CCAs seeking to offer new DAC-GT programs to do so via a Tier 2 advice letter.</p>	
<p>14. 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.</p>	
<p>15. 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</p>	

must complete their transition of required reporting to DGStats.	
16. All ALJ and assigned Commissioner rulings in this proceeding should be affirmed.	
17. All motions not ruled on to date should be denied.	
18. The Commission should close consolidated A.22-05-022, <i>et al.</i>	

<i>Ordering Paragraphs</i>	<i>Proposed Modification</i>
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.	Within 60 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 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.	<u>Within thirty (30) 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 1 advice letter to propose a subaccount to their CREPBA to record and recover CRE program costs.</u>
3. 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.	
4. This decision supersedes Decision (D.) 15-01-051 Ordering Paragraph 10 (required monthly and annual reports);	

<p>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.</p>	
<p>5. 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.</p>	
<p>6.</p>	<p><u>Within thirty (30) 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 1 advice letter to propose a balancing account to record and recover Modified Green Tariff program costs.</u></p>
<p>7. 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.</p>	
<p>8. This decision supersedes Ordering Paragraph 14 of Decision (D.) 24-05-065 with respect to the program</p>	

<p>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.</p>	
<p>9. 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.</p>	
<p>10. 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.</p>	
<p>11. 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</p>	

Tariff, Green Tariff, and community renewable energy program data integration into the California Distributed Generation Statistics website.	
12. Applications 22-05-022, 22-05-023, and 22-05-024 are closed.	