

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

Order Instituting Rulemaking on California
Advanced Electric Rate Design

Rulemaking 26-04-009
(Filed April 9, 2026)



FILED

05/11/26

04:59 PM

R2604009

**OPENING COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK ON
ORDER INSTITUTING RULEMAKING ON CALIFORNIA ADVANCED ELECTRIC
RATE DESIGN**



Jane Krikorian

Staff Attorney

Utility Consumers' Action Network

404 Euclid Ave, Suite 377

San Diego, CA 92114

619-696-6966

jane@ucan.org

May 11, 2026

Table of Contents

I.	INTRODUCTION.....	2
II.	DISCUSSION	3
A.	UCAN BELIEVES ADVANCED RATE DESIGNS CAN BENEFIT RATEPAYERS...	3
B.	UCAN RECOMMENDS DIVIDING ISSUES INTO TRACKS, PHASES OR GROUPS	3
C.	UCAN RECOMMENDS EXTENDING CALENDAR DATES	4
D.	ADDITIONAL ISSUES: UCAN REQUESTS CLARITY ON THE BASE SERVICES CHARGE WORKING GROUPS	5
III.	CONCLUSION	6

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

Order Instituting Rulemaking on California
Advanced Electric Rate Design

Rulemaking 26-04-009
(Filed April 9, 2026)

**OPENING COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK ON
ORDER INSTITUTING RULEMAKING ON CALIFORNIA ADVANCED ELECTRIC
RATE DESIGN**

I. INTRODUCTION

Pursuant to instructions in Section 3.2 and Ordering Paragraph 7 of the Order Instituting Rulemaking on California Advanced Electric Rate Design (Rulemaking) issued on April 10, 2026, the Utility Consumers' Action Network (UCAN)¹ respectfully submits these Opening Comments. This Rulemaking was opened to “establish advanced electric rate design policies to update residential and non-residential rate structures and their underlying cost inputs so that rates more accurately reflect the cost of providing service, send price signals that support efficient use of grid infrastructure, and allocate costs fairly across all customers.”² The Rulemaking also addresses issues remaining from R.22-07-005, the Rulemaking to Advance Demand Flexibility Through Electric Rates. UCAN participated in the Demand Flexibility proceeding from the beginning believing that “more demand flexibility should help reduce system and generation capacity costs,”³ a benefit for all ratepayers. UCAN supports this Rulemaking and looks forward to fully participating in the proceeding.

¹ UCAN is a 501(c)(3) non-profit public benefit corporation dedicated to protecting and representing the interests of residential and small business customers in the San Diego Gas & Electric service territory. Approximately 98% of UCAN's members are residential customers. UCAN has been active in Commission proceedings since 1983 and strives to meet the Commission's goals for rates that are equitable and affordable for all ratepayers.

² Order Instituting Rulemaking on California Advanced Electric Rate Design (Rulemaking), issued April 10, 2026, at 1.

³ See R.22-07-005 UCAN Comments on OIR at 2-3,

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K441/496441443.PDF>

II. DISCUSSION

A. UCAN BELIEVES ADVANCED RATE DESIGNS CAN BENEFIT RATEPAYERS

UCAN supports the main goal of this proceeding, “to consider how advanced rate design policies can support equitable and affordable rates for Californians...”⁴ UCAN has long argued about affordability concerns for SDG&E ratepayers.⁵ UCAN also believes that advanced rate designs can encourage ratepayers to shift their energy usage into time periods where energy is abundant and cheap, for example, due to the availability of excessive solar or wind generation during the day. It may also encourage customers to store energy when it is cheap and use it during peak periods instead of accessing the grid. Thus, shifting loads has great potential to use the grid more efficiently. Using the grid more efficiently can have the effect of deferring the need for expensive build-outs of distribution and transmission assets, key drivers of rate escalation.⁶ Therefore, UCAN sees advanced rate designs as a realistic path to lower system costs and lower rates, or in the least, help prevent an excessive escalation of rates as experienced by SDG&E ratepayers – nearly 100% over the last ten years.⁷

B. UCAN RECOMMENDS DIVIDING ISSUES INTO TRACKS, PHASES OR GROUPS

The Rulemaking highlights numerous complex issues to address. For example, Section 3.1 identifies fifteen separate issues.⁸ Many of these issues are inter-related and almost all of

⁴ Rulemaking at 2.

⁵ See for example Opening Comments on R.22-07-005 OIR, <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K441/496441443.PDF>

⁶ See The Public Advocates Office Q1 2026 Electric Rates Report, issued March 2026, slide 5, <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/press-room/reports-and-analyses/260430-public-advocates-office-q1-2026-electric-rates-report.pdf>, slide 5.

⁷ *Id.*, slide 8.

⁸ Rulemaking at 11-13.

them include layers of complexity. Due to the number and intricacies of the identified issues in the Rulemaking, UCAN recommends breaking out these issues by Tracks, Phases, or Groups. For example, UCAN initially sees the following four possible groups and issues that may line up together:

Possible Grouping Table for Identified Issues:

Group 1 – Rate Design	Group 2 – Fixed Charges	Group 3 – Large C&I and Data Centers	Group 4 - Policy
Issues a, b, c	Issues d, e, f, g, h, i	Issues j, k, l	Issues m, n, o

This could also allow certain Groups of Issues to be categorized as Ratesetting, Legislative or Quasi-Legislative. This could help parties identify where to participate, either in one or more of the Groups, and one or more of the issues. UCAN makes this initial suggestion to help manage the proceeding and looks forward to hearing other ideas as well.

C. UCAN RECOMMENDS EXTENDING CALENDAR DATES

Based on UCAN’s recommendation above to break out the fifteen issues into Tracks, Phases or Groups, UCAN also sees a need and opportunity to extend some of the calendar events and dates. For example, instead of having one workshop in Q2 of 2026, UCAN sees an opportunity to schedule a workshop for each of the Groups of issues. Then the Workshop Reports by the IOUs can be staggered to the Energy Division. Energy Division can either wait until all the Groups have finished workshops and IOU Workshop Reports have been sent in before issuing a Staff Proposal for comments. Or, alternatively, Energy Division could issue Staff Proposals by Group for comments and reply comments from stakeholders. Then all the comments/reply comments on the separate Staff Proposals by Group could be compiled into the final Energy Division Staff Proposal on Residential Rate Reform, again, for comments and reply

comments. In this way, the issues become more manageable, the feedback opportunities are many yet staggered, and a thorough record of residential rate reform is created. UCAN offers this suggestion to manage the many complex issues and looks forward to hearing other ideas as well.

D. ADDITIONAL ISSUES: UCAN REQUESTS CLARITY ON THE BASE SERVICES CHARGE WORKING GROUPS

The Rulemaking discusses the income-graduated fixed charge established in D.24-05-028 of the R.22-07-005 OIR to Advance Demand Flexibility Through Electric Rates proceeding, and the Commission's commitment to "continue to consider how to support electrification through improved income-graduated fixed charges..."⁹ The Rulemaking includes two issues regarding income-graduated fixed charges, now known as the Base Services Charge.¹⁰ The Rulemaking refers to the working groups established by D.24-05-028. The Rulemaking also references the Process Working Group Report which is attached to the Rulemaking, a final report from the Income Verification Working Group, issued January 15, 2026.¹¹

As noted in the Rulemaking, D.24-05-028 in the R.22-07-005 proceeding established the BSC Working Groups and these groups met from February 2025 through November 2025. However, the R.22-07-005 proceeding was closed when D.25-08-049 was issued on August 29, 2025. This left parties participating in the BSC Working Groups unclear of when and how the work being done in the Working Groups would be formerly addressed and the work hours compensated.¹² UCAN requests the Scoping Memo clarify that the previous work done for the

⁹ Rulemaking at 3-4.

¹⁰ *Id.* at 12, issues (e) and (h).

¹¹ *Id.* at 4 and Question 3 at 15.

¹² See Center for Accessible Technology's (CforAT) Comments on Track B Proposed Decision, <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M575/K538/575538156.PDF>, filed Aug. 14, 2025, and also CforATs Response to Application for Rehearing of Decision 25-08-049 by San Diego Gas & Electric Company, <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M583/K960/583960505.PDF>, filed Oct. 14, 2025.

BSC as identified in the Rulemaking shall be incorporated into intervenor compensation claims for this proceeding after any decisions are issued regarding updates to the BSC.

III. CONCLUSION

UCAN looks forward to participating in the Advanced Electric Rate Design Proceeding on behalf of ratepayers in the San Diego Gas & Electric territory.

Dated: May 11, 2026

Respectfully submitted,

/s/ Jane Krikorian

Jane Krikorian

Staff Attorney

Utility Consumers' Action Network

404 Euclid Ave, Suite 377

San Diego, CA 92114

(619) 696-6966

jane@ucan.org