

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



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Order Instituting Rulemaking to Establish Policies,)
Processes, and Rules to Ensure Safe and Reliable Gas) Rulemaking 24-09-012
Systems in California and Perform Long-Term Gas)
System Planning.)
_____)

**OPENING COMMENTS OF THE
JOINT COMMUNITY CHOICE AGGREGATORS ON THE
PROPOSED DECISION ESTABLISHING APPLICATION PROCESS FOR SB 1221
NEIGHBORHOOD DECARBONIZATION PILOT PROGRAM**

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On behalf of the Joint CCAs

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Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), and the *Proposed Decision Establishing Application Process for SB 1221 Neighborhood Decarbonization Pilot Program* dated May 29, 2026 (“PD”), the joint Community Choice Aggregators (“Joint CCAs”) submit the following opening comments on the PD establishing the Senate Bill (“SB”) 1221 Pilot Program framework.¹

I. INTRODUCTION AND SUMMARY

The Joint CCAs are community choice aggregators (“CCAs”) providing electric service to over a million electric accounts in Pacific Gas and Electric Company’s (“PG&E”) service territory. The Joint CCAs appreciate the Commission’s extensive work in developing the PD and its thoughtful translation of SB 1221’s requirements into an actionable pilot framework. Among other program details, the Joint CCAs appreciate the Commission’s action to allow for multiple rounds of applications through which collaborating parties can incorporate lessons from earlier proposals. This phased structure will also enable the Commission to identify and scale successful models, adjust expectations

¹ For purposes of these comments, the Joint CCAs consist of Peninsula Clean Energy Authority (“PCE”), City of San Jose, Administrator of San José Clean Energy (“SJCE”), Silicon Valley Clean Energy Authority (“SVCE”), and Sonoma Clean Power Authority (“SCPA”).

where needed, and ensure that later pilots reflect improved understanding of neighborhood needs, grid constraints, and customer protections.

Summary of Recommendations: In accordance with Rule 14.3(b), the Joint CCAs provide the following index of recommended changes to the PD, as supplemented by requested changes to the conclusions of law set forth in Attachment A.:

- (1) Refine the role of coordinating entities so that CCAs, local governments, and other local partners have the option to propose pilot projects to the gas corporations, which will continue to serve as the formal applicant;
- (2) Adopt a more formal Tier 2 advice letter review for post-approval customer consent to ensure appropriate oversight of project viability;
- (3) Clarify the expectations for no-cost appliance and remediation offerings to protect customers and support feasible participation;
- (4) Include the number of tenants in the “required location information” for each project, and;
- (5) Correct the characterization of the Joint CCA’s workforce recommendation to align with the record.

The Joint CCAs value the Commission’s ongoing collaboration with stakeholders and look forward to continuing to work with the Commission, gas corporations, and local partners to implement pilots that advance safe, reliable, and equitable decarbonization of California’s natural gas system.

II. OPENING COMMENTS

A. The Proposed Decision Provides a Strong Overall Framework, but Several Provisions Would Benefit from Targeted Refinements to Improve Implementation Processes, Customer Protections, and Accurate Characterization of Party Proposals.

The Joint CCAs appreciate the care and detail reflected throughout the PD, particularly in its effort to address collaboration across coordinating entities, customer offerings, and implementation details in a comprehensive manner. However, a few portions of the PD would benefit from additional refinements based on the record so that applicants, customers, and coordinating entities share a clearer understanding of program expectations before applications are filed, and to increase the likelihood of successful pilot implementation.

1. The PD Should Build on its Collaborative Foundation by Creating a Clearer Pathway for Coordinating Entities to Help Originate Strong Pilot Proposals.

The Joint CCAs appreciate the Commission's substantial effort in developing a detailed PD that establishes a workable SB 1221 Neighborhood Decarbonization Pilot Program framework. The Joint CCAs are particularly encouraged by the PD's recognition that successful pilot development will require meaningful engagement with local entities. Specifically, this requires that local entities are aware of proposed pilot projects and have an opportunity to contribute as appropriate, as well as requiring that large gas utilities develop public-facing processes for advertising the program, receiving expressions of interest, and following up with local partners. These elements reflect an important understanding that neighborhood decarbonization will be most effective when informed by the experience, relationships, and implementation knowledge of local governments, CCAs, municipalities, and community-based organizations that already serve these communities.

At the same time, the Commission could strengthen this collaborative framework by expressly allowing coordinating entities to propose pilot projects directly to the gas corporation. In practice, this could allow coordinating entities to identify a promising neighborhood, develop a pilot concept, and present that project to the gas corporation for potential sponsorship and inclusion in an application, while preserving the gas corporation's role as the formal applicant under the statute and the PD. Such a refinement would harness local knowledge, expand the pool of viable pilot concepts, and improve the likelihood that submitted projects reflect actual community conditions, existing local programs, and realistic implementation pathways.

2. The Commission Should Require a Tier 2 Advice Letter from the Applicant Containing Binding Consent Agreements from the Property Owners.

The Joint CCAs respectfully suggest that the Commission provide a more formal review mechanism for the post-approval customer consent stage of the application process. Because this process will involve binding consent documents and will effectively confirm whether an approved pilot can proceed to implementation, the Commission should consider requiring a Tier 2 advice letter, rather than a Tier 1 advice letter, for the submission documenting that the necessary binding consent threshold has been met. Given that the binding consent agreements are a key component of the pilot program, a Tier 2 advice letter process would provide Energy Division staff an opportunity to issue a formal disposition letter approving the advice letter rather than a Tier 1 advice letter, which (absent a protest or intervention by the Energy Division) automatically approves the advice letter. This therefore provides a more appropriate level of transparency and oversight for a submittal that includes material information regarding participant commitment and project viability, while remaining administratively workable.

3. Clarification is Needed on No-Cost Appliance Offerings and When Customer Cost-Sharing Is Permissible.

The PD errs by failing to specify the extent to which applicants are expected to cover the costs of replacement appliances and related remediation measures. On the one hand, the PD states that, where applicants offer a menu of options, the applicant must, at a minimum, offer recipients a no-cost option for certain appliances if recipients are permitted to contribute additional funds to purchase more appliances, more costly appliances, or both.² The PD also states that applicants are not required to provide all replacement appliances or home-remediation measures at zero upfront cost, so long as they explain that choice.³ Read together, these provisions create ambiguity as to what level of no-cost appliance replacement must be made available, what categories of appliances are covered by that expectation, and when customer cost-sharing is permissible. The Commission should therefore clarify the baseline appliance and remediation offering that must be made available at no upfront cost, particularly where such measures are necessary to ensure that customers receive suitable substitute energy service and can feasibly participate in the pilot.

4. The Final Decision Should Include the Number of Tenants in the Required Location Information for Each Project.

The PD requires applicants to collect and provide specific location information for each proposed project, as laid out on page 23 of the PD and Conclusion of Law 17 on page 74. The Joint CCAs respectfully request that the number of tenants within a project be added to the information that an applicant must collect. As written, the PD directs applicants to collect data on affected customers, it does not specify whether this includes the number of tenants associated

² See PD at 25.

³ See PD at 26.

with each property. Including tenant counts would help determine how many tenants are impacted within a project boundary, improve the design and targeting of outreach strategies, and support more accurate evaluation of project outcomes, particularly in buildings with multiple dwelling units.

5. The Final Decision Should Accurately Characterize the Joint CCAs' Workforce Recommendation.

The Joint CCAs respectfully request a clarifying edit regarding the PD's characterization of the Joint CCAs' workforce recommendation. The PD states that "The Joint CCAs and the CCR REN offer that participating utilities could support high-road jobs by providing additional funding to Workforce Education and Training (WE&T) initiatives."⁴ However, the Joint CCAs' recommendation was narrower and more targeted: that gas corporations can work with Regional Energy Networks within their service territories to confirm which workforce education and training programs are already geared toward supporting and building high-road jobs and providing prevailing wages.⁵ A modest revision would more accurately reflect that the Joint CCAs were not necessarily proposing new utility funding commitments, but rather encouraging coordination with existing Regional Energy Network workforce and training efforts that may already support the Commission's stated objectives regarding high-road jobs and prevailing wages.

⁴ PD at 39.

⁵ See Joint CCA Opening Comments on Second Amended Scoping Memo at 12.

III. CONCLUSION

The Joint CCAs appreciate the opportunity to provide comments on the PD's framework for implementing the SB 1221 Neighborhood Decarbonization Pilot Program and its careful effort to operationalize the statute's requirements.

Dated: June 18, 2026

Respectfully submitted,

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On behalf of the Joint CCAs

Attachment A

Proposed Modifications to Findings of Fact, Conclusions of Law, and Ordering Paragraphs (additions underlined, deletions in ~~strikethrough~~)

Conclusions of Law

31. It is reasonable for the Commission to require applicants to engage with coordinating entities to ensure the coordinating entities are aware of the proposed pilot projects and can contribute as appropriate, including cases where the coordinating entity proposes a community or pilot project to be considered in the applicant's application.

17. It is reasonable to require applicants, at a minimum, to include the following location information for each project:

(a) List of the census tracts that overlap with the pilot project area. The application should provide each census tract's CalEnviroScreen score, DAC status, and the number of affected customers and tenants residing within it.

37. It is reasonable for the Commission to require the applicant, once it has obtained consent from the owners of at least 67 percent of the affected properties and determined to move forward with the project, to file and serve a Tier 2 ~~+~~ Advice Letter containing copies of the binding consent agreements obtained from the property owners.

Proposed New Conclusion of Law 55.