



FILED

06/29/26

03:38 PM

R2507013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Improve the California Climate Credit.

Rulemaking 25-07-013

**ASSIGNED COMMISSIONER’S RULING PROVIDING DIRECTION AND
SETTING THE PHASE 1B PROCEDURAL SCHEDULE**

This ruling provides guidance and direction to parties and sets the procedural schedule for Phase 1B. I provide my priorities and principles for this phase, identify the options I intend to prioritize, and share concepts for a proposal I intend to make. Additionally, this ruling authorizes parties to file and serve comments responding to issues as described and requires the utilities to file and serve specific data.

1. Overview

Phase 1B of this proceeding considers improvements to the residential gas and electric Climate Credits, including changes to credit calculation, distribution, and overall guiding principles. The Climate Credit stems from funds generated by the State’s greenhouse gas (GHG) Cap-and-Invest Program, which is regulated by the California Air Resources Board (CARB). The overall purpose of this ruling (Guidance Ruling) is to provide direction for Phase 1B, showing how each issue within the scope of Phase 1B will be addressed.

To address the first scoped issue, which is whether the Commission should change or establish guiding principles, goals, and/or objectives for the residential Climate Credit, I provide guidance regarding my priorities and

objectives; the issue will also be addressed by parties in comments, and through consideration of proposals.

The second scoped issue is whether the Commission should make changes to the residential gas and electric Climate Credit, including changes to credit eligibility, timing of distribution, number of annual distributions, and/or calculation methodology for Climate Credit amounts. As this ruling describes, I intend to prioritize several options for changes in this area, and parties will have the opportunity to provide input on these options via comments, workshops, and proposals.

The third issue in scope is whether the Commission should direct changes to Climate Credit outreach. The outreach implications of proposed changes are a crucial factor to weigh when considering proposals, but this ruling clarifies that in Phase 1B I intend to prioritize consideration of changes to the credit and defer consideration of overarching programmatic outreach changes to a later phase. While changes to outreach are in scope, in this phase I intend to focus on those directly implicated by any changes to the credit and consider larger programmatic changes to outreach practices and approaches after credit changes are adopted.

The fourth, fifth, and sixth scoped issues include considering the implementation time and costs of any changes to the credit, as well as environmental and social justice issues. These issues will be considered in comments, and as part of any proposed change; a forthcoming proposal guidance ruling will provide more direction for how proposals should address these considerations.

2. Assigned Commissioner's Priorities

Through consideration of the party input thus far and the goals of this proceeding I have developed the following priorities that I intend to guide my proposed changes and my consideration of the record overall. These priorities will be balanced against each other and remain flexible as the record develops.

2.1. Affordability is a central principle

Guiding principles applicable to the Climate Credit as established more than a decade ago should be updated to reflect current statutory direction and this proceeding's affordability focus. As adopted in D.12-12-033 (Section 5.2, regarding policy objectives) and reaffirmed in D.21-08-026, a fundamental principle was to avoid providing the credit during high-cost periods to preserve the carbon price signal in rates. As signified in Assembly Bill (AB) 1207 (Irwin) (Statutes 2025, Chapter 117), indicated by the Commission's response¹ to EO N-5-24, and recently affirmed in D.26-04-036, I believe this principle has shifted and should be updated: the Climate Credit should be focused on providing *more* assistance during high-cost periods – which vary across the state – and to focus on maximizing affordability impacts for those who need it most. This basic principle should guide changes made to the electric and gas credits. I am also conscious of our impacts on low-income customers; as my concepts reflect, I am interested in ways to prioritize these customers within the approach.

2.2. Electrification should be encouraged

Distribution of the Climate Credit should align with overall state policy goals in support of electrification. This principle is closely intertwined with the

¹ CPUC Response to Executive Order N-24-5, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/reports/cpuc-response-to-executive-order-n-5-24.pdf>.

affordability principle. The previous era of the Climate Credit, which sought to decrease GHGs through reducing usage, should be rethought. There is an opportunity to provide more assistance during high cost periods, and we can reform the calculation of the credits to ensure that additional kilowatt-hours of electricity consumption result in a higher value Climate Credit. Providing more support to those with higher electricity costs and greater GHG cost burden is in alignment with this principle.

2.3. Changes should be fair

The Climate Credit should be distributed fairly. This priority originates from the fundamental governing statutes and regulations of Cap-and-Invest as well as this proceeding's focus on improving affordability. In my view, a fair distribution entails that all residential customers should continue to receive the credit, and that it should be distributed in proportion to customers' GHG costs as reflected in their electricity usage and bills. Customers who are paying greater costs also tend to be experiencing more impacts from climate change. Changes made in this phase should focus -- in principle and in practice -- on providing more benefits to those with greater costs.

2.4. Simplicity must govern

Changes should not be overly complicated to implement (particularly as complex implementation tends to be costly) or difficult to explain. The credit amount that is approved in advance should be retained so that messaging remains simple and customers know what their credit will be. To the extent possible, credit timing should remain consistent to avoid customer confusion and complications to outreach. In a time of uncertainty and change, we should not overextend ourselves with complicated approaches whose costs outweigh the customer benefit.

2.5. Our focus should be narrow

With the limited time remaining in this phase, and in light of other priorities, the range of options for changes to the credit should be relatively narrow. I hope to focus on the three following options. First is the option to retain the status quo as directed in D.26-04-036, potentially with minor adjustments or refinements. The second option includes my proposal concepts detailed below, which as currently envisioned would be usage-based tiered credit approaches with variations in calculation depending on baseline allowance, CARE status, and other features. The third option is the proposal(s) that may be made by parties according to the guidance and direction provided here and in forthcoming rulings and discussions. Any party proposal will need to justify why a different approach is necessary; the schedule provides parties ample opportunity to shape the first two options before deciding whether they will propose their own.

3. Assigned Commissioner's Proposal Concepts

I intend to propose a simple tiered approach for the electric Climate Credit, and to make only basic changes to the gas Climate Credit calculation necessary to align with CARB regulatory updates.

The schedule of this phase is intended maximize opportunities for agreement and alignment on options, and parties will have multiple opportunities to provide input with this goal in mind.

3.1. Electric Credit Proposal Goals

This ruling introduces two conceptual approaches, and the bottom-line goal is to have a simple structure that provides more assistance to customers with higher costs. The first two concept proposals take a tiered approach with options to additionally target specific groups like low-income customers.

(Because they provide more assistance to those with higher usage, the concepts for tiered approaches are volumetric, though not purely volumetric in which the credit would be provided directly on a cents-per-kWh basis.)

A range of ideas have been raised in this proceeding, from increasing the credit by removing some customers to providing different amounts at different times for different customers.

As conceptualized below, these options achieve several goals. They target more assistance to customers with higher costs while treating all customers fairly and transparently. They retain a simple credit structure and are conducive to straightforward messaging (“The credit is \$X, but if you are enrolled in income-qualified rates, you will get more than one credit”). They have the potential to be more administratively simple and based on existing utility coding and billing structures. They are volumetric in that they provide a higher amount of benefit to customers with higher costs. Either option could target additional assistance to CARE customers or other groups.

It is also the intent of these proposals that they could be implemented using the existing utility billing system infrastructure/coding for implementation in 2028 in order to provide improvements to affordability sooner rather than later.

These are initial concepts and must still be informed by the other considerations within scope. This ruling requires the utilities to provide specific data relevant to my concepts and I remain open to any improvements or changes. I intend to adjust these options based on party input, utility data, and further consideration before finalizing my proposal.

3.2. Concepts for a Simple Volumetric Tiered Electric Climate Credit

There are two different concepts: a baseline usage tier approach, and a climate zone tier approach. I am also interested in considering whether any aspect of these concepts can be combined.

3.2.1. Concept 1: Baseline Usage Tier Approach

Under this approach, the credit remains a flat credit, but the number of credits a customer can receive varies based on whether they exceed their baseline usage amount. Customers that used less than their baseline amount of usage on average in the prior year would receive one credit per distribution; customers that used more than the baseline amount of usage on average would receive an additional credit per distribution. CARE customers that used more than the baseline amount would receive a further additional credit.

Both the credit timing and the number of distribution months would remain unchanged from D.26-04-036. Customers with a residential rate plan that does not have a baseline allocation would receive two credits, as would individual customers on master-metered accounts. Because electric baseline amounts vary by climate zones, this approach does in that way reflect usage variation driven by climate. Below is an example of this approach.

HYPOTHETICAL EXAMPLE: MODULAR CLIMATE CREDIT BASED ON BASELINE ALLOWANCE AMOUNTS	
Baseline level	
Below baseline	1x
Above baseline	2x
Above baseline CARE	3x

Extending the hypothetical example above, imagine the Climate Credit might be \$15 in a given distribution. Customers with usage below baseline would receive a Climate Credit of \$15 (\$15 x 1) for each distribution, customers

above baseline would receive \$30, and CARE customers with usage above baseline would receive \$45.

While I am interested in this option, additional data is needed. If a vast majority of customers exceed their baselines or are on rates that do not have baselines, the advantages of this approach are obviated (or, potentially this approach could then be adjusted to be based on some factor of baselines/a similar approach). I also have some concern about additional assistance going to higher-income customers in hot zones, and ask questions with the hope of addressing this issue. Additionally, customers above the baseline in different climate zones would all be receiving the same benefit, while their costs may be substantially different (an issue addressed by my second concept). My goal is to provide additional support based on tiers of usage in whatever way is simplest, and I look forward to making refinements.

3.2.2. Concept 2: Climate Zone Tier Approach

This approach would similarly provide a flat credit, but the number of credits received per distribution would vary depending on the customer's climate zone. Due to the number of climate zones -- PG&E has 10 climate zones -- multiple zones could be bundled together based on usage levels for additional simplicity. All residential customers within a climate zone bundle would receive the same number of credits; the number of credits would vary among zones or zone bundle. The average usage of each climate zone is estimated in the utilities' General Rate Cases (GRCs); the number of credits each zone receives would be determined by the proportional bulk usage of each zone. Master-metered customers would be treated identically to direct-metered customers. All residential tariffs would be treated equally. Both the credit timing and the number of distribution months would remain unchanged from D.26-04-036.

Since baseline allowances are determined in part based on climate zone, this option provides greater ability to recognize the disparity of energy use (and therefore GHG costs) among different climate zones. It is my understanding that the utilities already tag customer accounts with climate zone, so this option should not require extensive or expensive billing system modification and should be implementable for 2028.

If the smaller utilities have few or one climate zone, their customers could receive the number of credits as customers in similar-usage zones.

There is one clear weakness of this concept. Some customers in climate zones with temperature extremes and very low bills have low electricity imports, or purchases from their utility, and under this approach may receive the higher credit allotment of their zone. That misalignment could be rectified by further categorizing customers within climate zones by tariff or average bills (and further into categories such as CARE). The following table illustrates an example of this:

HYPOTHETICAL EXAMPLE: MODULAR CLIMATE CREDIT APPLIED TO DIFFERENT CUSTOMER CLASSES			
Climate Zone	Customers with very low bills (i.e. lower than customers with usage at the baseline allowance level)	All other non-CARE residential customers	CARE customers
Cooler zone ²	1x	1x	2x
Median zone	1x	2x	3x
Hotter zone	1x	3x	4x

² This terminology is an approximation, particularly since data must inform whether “cooler” zones have lower electricity usage; as shown, the assumption is that cooler zones have lower usage than median/moderate climate zones.

Extending the hypothetical example above, imagine the Climate Credit might be \$15 in a given distribution. A Non-CARE cooler zone customer would receive a Climate Credit of \$15 ($\15×1) for each distribution, while a hotter zone CARE customer would receive \$60 ($\15×4) for each distribution.

However, providing so many different credit amounts could be complex, hard to communicate, and require lengthy and/or costly implementation; therefore does the simpler approach yield greater net benefits? Might implementation cost reduce credits beyond what would be received overall under a simpler approach? I bear in mind that simplifying any approach must entail some kind of misalignment. We must consider the tradeoffs of all approaches in this proceeding.

3.2.3. Additional Assistance Based on Greater Need

For either of the options, adjustments could be made to provide more support for specific groups, such as customers on low-income rate assistance plans, medical baselines, or subject to arrearages. If it were possible to specifically target small numbers of highly-vulnerable customers whose costs and affordability needs are greatest (for example, a medical baseline, low-income customer in a disadvantaged community in the hottest climate zone) without unreasonable complexity or cost, I would be interested in considering such an adjustment. Any such adjustments would need to remain in alignment with overall priorities and principles.

3.2.4. A Purely Volumetric Approach

Finally, I seek party input on whether a purely volumetric credit approach better aligns with the aforementioned priorities and/or is more feasible to implement than either concept above. In this case, customers would receive a per kWh credit (e.g., \$0.05 cents per kWh) directly tied to their per kilowatt-hour

usage (such as the current or prior year's usage. I seek input regarding whether this approach is simpler to implement compared to the other concepts. This approach would need to comply with the statutory requirement to disburse in no more than four months; it could therefore also be based on usage in the four highest months. Responses should describe how this approach could be communicated to customers (e.g., "A customer with average usage may get a credit of \$X). The electric utilities should also provide input on the implementation feasibility considering the capabilities of their existing billing systems.

3.3. Gas Credit Proposal Goals

As directed in AB 1207 and further codified in recent CARB regulations, the natural gas utilities' allowance allocations will change starting in 2028. These changes will transition an annually-increasing portion of the gas utilities' allocations to electric utilities. All else equal, this change would reduce the natural gas Climate Credit by reducing the gas utilities' allowance revenues. However, statute and regulations also direct that low-income natural gas customers should be protected during this transition: The applicable code section for CARB's regulation states:

Beginning January 1, 2028, public utility gas corporations must annually use the value from 30% of the total allowances calculated in section 95893(a) to provide a non-volumetric return to residential ratepayers either on- or off-bill that primarily benefits low-income ratepayers as directed by the California Public Utilities Commission.³

The Cap-and-Invest regulations as adopted by the CARB board on May 29, 2026, provide that by 2031 70% of allowances allocated to natural gas utilities will be

³ Title 17 CCR 95893(d)(8)

transitioned to electric utilities with the remaining 30% used for crediting of low-income ratepayers.

This specific direction positions the natural gas credit quite differently from the electric credit. With changes that reduce the gas credit on the horizon, and specific guidance about how the gas utilities' proceeds should be returned (to protect low-income customers and not use a volumetric return), my priority is to protect customer benefits by minimizing changes made in this phase. With most of the proceeds shifting to the electric side, the benefits of changes on the gas side diminish; we would better serve all customers by focusing our efforts in this phase on the electric side. For this reason, my proposal concept below focuses on making only basic adjustments to the current structure.

3.4. Concept for Maintaining Gas Credit Benefits

The goal of this conceptual proposal is to protect low-income customers as required by CARB regulations while avoiding more complex and costly changes that would further reduce the gas credit.

Under this approach, no further changes to the natural gas Climate Credit timing, distribution, or eligibility would be made before 2028. Starting in 2028, the only change would be to allocate revenues among residential customers differently: the revenues from 30% of allowances allocated to gas utilities (i.e. the amount calculated in section 95893(a) of the CARB regulation or the amount before any were reallocated to electric utilities) would be distributed equally among residential gas California Alternative Rates for Energy (CARE) customers. The remaining revenues from the sale of the remaining gas utility allowances would be distributed equally among residential gas non-CARE customers. Under this approach, the revenues allocated to non-CARE customers would shrink annually in alignment with the gas utility's shrinking allocation, but

CARE customers would continue to receive a credit similar to the credit they would have received if no allowances had been transitioned away from gas utilities.

This proposal concept is based upon a crucial assumption: that CARE customers are a small enough proportion of all gas customers that they are better off sharing 30% of the allowances rather than splitting the total shrinking pool equally with non-CARE customers. The utilities will provide data on this question, and if this assumption proves unreliable, I do not intend to propose this approach, because then CARE customers would be better off under the current allocation structure.

4. Guidance Ruling Questions for Party Comment

This section contains questions for parties to answer in their Initial Issues opening comments.

Parties shall address the following questions in their Guidance Ruling comments.

4.1. Overarching Legal and Authority Questions

1. What limitations from CARB regulations, as adopted by CARB on May 29, 2026 apply to changes made in this phase?
2. CARB separately adopted Resolution 26-7 on May 29.⁴ The last two resolutions on page 17 direct CARB staff to:
 - a. Coordinate with the Commission regarding natural gas transition issues; and
 - b. Consult with the Commission on Diablo Canyon allocation issues.

Do either of these resolutions impact considerations in this phase?

⁴ <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2026/res26-7.pdf>

3. What limitations, if any, from Pub. Util. Code Section 748.5, and/or any other section, apply to considerations in this phase?
4. Are there any other specific authorities that apply to and should guide other changes made in this Phase?

4.2. Guiding Principles

1. When considering changes to the Climate Credit, should the Commission consider any other factors besides:
 - a. Laws, regulations, and legislative intent;
 - b. Guiding principles;
 - c. Customer characteristics and impacts on customers;
 - d. Implementation feasibility, time, and cost?
2. How should affordability metrics from the Affordability Rulemaking (R.18-07-006) be integrated or considered in this proceeding?
3. Which specific principles established by D.12-12-033 and updated by D.21-08-026 (for the electric credit) and D.15-10-032 (for the gas credit) should be modified?

4.3. Assigned Commissioner's Priorities

1. Do you agree with the assigned Commissioner's priorities as laid out in Section 2 of this ruling? Do you recommend changes or additions to this list?

4.4. Narrow Focus on Three Options

1. Section 2.4 of this ruling provides three options as the procedural focus of this phase: the status quo, the assigned commissioner's proposals, and party proposals. Are these options reasonable? Is a narrow focus appropriate?
2. Option 1 in Section 2.4 is to retain the Climate Credit status quo, possibly with minor modifications (such as changing the number of distributions or adjusting timing but without changes to calculation methodology). Does this option satisfy legal requirements and principles? What modifications should be made, if any, if the

Commission adopts this option? Which ideas raised by parties in Phase 1A are appropriate for consideration here?

3. The schedule includes a ruling to provide direction for proposals. What direction, criteria and rules should apply to party proposals? What detail should be required (in party proposals and the assigned commissioners') to ensure that the utilities can provide implementation assessments and parties can fully consider them?

4.5. Assigned Commissioner's Electric Credit Proposal Concepts

1. Do the proposal concepts meet the requirements in CARB's May 29, 2026 adopted regulations, and are there additional requirements/limitations that proposals need to consider?
2. Do they fulfill my stated priorities? If not, how could they be modified to better align with those priorities?
3. In addition to providing higher credits to CARE customers, could the credit be scaled between moderate and higher-income customers and how could these customers be identified?
4. Should a purely volumetric option (per kWh) be pursued, rather than the tiered approaches contemplated here? What questions and considerations should guide a choice between the two paths?
5. Does a volumetric electric credit approach (either tiered or per kWh; as conceptually proposed or otherwise) benefit customer affordability and support electrification goals? Consider the requirement in Section 748.5(a)(3) regarding provision of the credit in no more than four months, and whether this limits the credit's ability to support electrification.
6. What implementation issues or considerations do these options raise?
7. Should other modifications be made, such as to remove or reduce credits for second homes or vacation rentals (for utilities with such tariffs), or make any other programmatic changes?

8. What additional or different reporting or oversight should accompany these changes to the credit?

4.6. Assigned Commissioner's Natural Gas Credit Proposal Concepts

1. Do you agree that the gas credit is likely to decline due to declining allowance allocations/revenues? Do you agree that this proceeding should make minimal changes to the gas credit, relative to the electric credit, due to these declining benefits?
2. For CARB's §95893(d)(8) requirement related to the usage of gas allowances, does my proposal concept meet the requirement that 30% of the total allowances primarily benefit low-income ratepayers? Is there an alternative to CARE enrollment status that CPUC should apply? Should an amount higher than the minimum required 30% be allocated to protecting low-income customers?
3. Does this concept effectively protect low-income gas customers? What changes to this concept do you suggest? What modifications could be made to better benefit master-metered gas customers?
4. What additional or different reporting or oversight should accompany these changes to the credit?

4.7. Utility-specific Questions

The electric and gas utilities only are required to answer these questions, as applicable, for both the electric and gas concepts as well as a purely volumetric approach as described in Section 3.2.4.

1. Can these approaches be implemented for distributions in 2028? What is the estimated cost and implementation time? Please simplify and approximate these responses as best as possible and provide a basic assessment of easy/medium/hard to implement. Also, describe the necessary changes to each approach that:
 - a. Permits you to estimate these factors; and/or
 - b. Would reduce implementation time and/or cost.

2. Are other options previously raised in the record – such as those raised in Phase 1A comments by TURN, the EJ Parties, and Cal Advocates-- more or less difficult and/or costly to implement than my concepts and the purely volumetric approach?

5. Data Filings Required from Utilities

Data required:

Format: Each IOU should provide an Excel workbook containing the following data, with responses for each section on a separate sheet. For responses requiring a narrative IOUs should submit an accompanying document. Unless otherwise specified, provide 2025 data or data for the most recent year data is available.

A. Tariff Types (Electric-only)

- a. Count of Climate Credit eligible residential electric accounts by tariff type, including NEM/NBT, with a notation if that tariff type (can be in the accompanying narrative) includes a baseline allowance.
- b. For Climate Credit eligible residential accounts on a tariff with a baseline allowance, for each tariff the number and percentage of Climate Credit eligible residential accounts that exceeded the baseline usage in the new Climate Credit distribution months (August and September for large IOUs and October and November for small and multi-jurisdictional IOUs).
- c. Data demonstrating the proportion of CARE/non-CARE customers within quartiles or other category of usage. The purpose of this data request is to ascertain rough proportions of CARE/non-CARE customers across usage levels.

B. Climate Zone (Electric and Gas)

- a. Count of master metered Climate Credit eligible residential accounts by climate zone
- b. Count of NEM/NBT customers by climate zone

- c. Count of CARE & Non-CARE residential Climate Credit eligible residential accounts by climate zone
- d. Count of FERA & non-FERA Climate Credit eligible residential accounts by climate zone (Electric-only)
- e. Energy usage billing determinants by climate zone (Electric-only)
- f. The number of residential Climate Credit eligible accounts in each climate zone on a tariff with and without a baseline component (Electric-only)
- g. Residential baseline quantities per climate zone, along with an explanation of how the baseline quantity is derived (Electric-only)

C. Non-Primary Residences (Electric and Gas)

If the utility tracks primary/non-primary residences by tariff or by other means:

- a. A narrative of how the primary/non-primary determination is made
- b. The count of primary and non-primary residential Climate Credit eligible accounts
- c. Average annual kWh usage of non-primary residential accounts

D. Customer Billing (Electric and gas utilities)

- a. For residential Climate Credit eligible accounts, the average usage and bills by month broken across CARE status for each climate zone.

E. Volumetric Credit (Electric utilities only)

To construct these estimates, utilities should assume:

- That the return spans August & September (the large IOUs) or October and November (the Small and Multijurisdictional IOUs);
- The volumetric credit is applied as a line item that is only non-zero in the months when the credit is applicable.

This line item is not CARE-exempt, so that CARE and non-CARE customers receive the same effective rate reduction in the applicable months;

- The same amount of allocated allowance proceeds are available as found in ERRR/ECAC/AL “Total Revenue Distributed for the Climate Credit (\$)” forecast in 2026;

Please estimate:

- a. The volumetric discount in cents-per-kWh of a simple volumetric Climate Credit based on all usage without distinction to time of usage
- b. An estimate of how much Climate Credit (total distribution amount, not the volumetric discount) the average customer by customer class would receive in each climate zone under a simple time-agnostic return volumetric return
- c. The rate and bill impacts for residential non-CARE and CARE customers and all other customer classes of a simple time-agnostic volumetric Climate Credit
- d. The same information in (a), (b), and (c) above but for a volumetric return based only on peak usage rather than all usage regardless of time.

6. Schedule

The adopted procedural schedule for this phase is set forth below:

EVENT	DATE
Utilities file and serve responses to Section 5 data questions	July 17, 2026
Parties file Guidance Ruling opening comments	July 24, 2026
Parties file Guidance Ruling reply comments	July 31, 2026
Discovery period. Parties may issue discovery requests to utilities in this period.	July 18, 2026 through
Workshop to discuss Assigned Commissioner proposal, address data questions, provide a forum for parties to vet potential proposal concepts, discuss proposal requirements, and gather public input.	August 10, 2026

Administrative Law Judge (ALJ) issues ruling providing guidance on main elements to be included/addressed in proposals	August 17, 2026
Deadline for parties to meet and confer to identify any areas of alignment and agreement; vet and refine proposal ideas	August 28, 2026
Parties file and serve proposals for changes to the Climate Credit	September 14, 2026
(If needed) Assigned Commissioner ruling providing updates to the assigned commissioner’s proposal based on further information and input	By September 25, 2026
Utilities file and serve implementation assessments of proposals	October 9, 2026
Parties file comments on assigned commissioner proposal, party proposals, other options, and utilities’ implementation assessments	October 23, 2026
Parties file reply comments	November 6, 2026
Proposed decision	90 days after
Decision	30 days after proposed decision

The above schedule reflects my intention to provide direction and guidance as well as the opportunity for parties to fully weigh in on the options before them.

In the initial period of the schedule, parties will consider this guidance and respond; while this period overlaps with the data response and discovery window (preventing parties’ input on my concepts to be informed by the full slate of utility data) the schedule provides for opportunity for input and further refinement later on.

Parties will have a window of time to consider the options before them and decide whether they also intend to make proposals. Then, the schedule allows for implementation assessment, public input, and full party comment on the issues.

IT IS RULED that:

1. The schedule of this proceeding is set forth above and is adopted.
2. All parties' Guidance Ruling opening comments filed and served as set forth in the schedule shall not exceed 25 pages in length and shall address the questions in Section 4 of this ruling. Reply comments shall not exceed 15 pages.
3. Before filing and serving the data filings described in Section 5, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities, Bear Valley Electric Service, Inc., PacifiCorp, Southern California Gas Company, and Southwest Gas shall coordinate with Energy Division staff to confirm the format they anticipate using to provide the data, and to clarify as needed any questions about the requested data. The utilities shall be responsive to Energy Division staff directions and clarifications regarding data format and content.
4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities, Bear Valley Electric Service, Inc., PacifiCorp, Southern California Gas Company, and Southwest Gas shall file and serve Guidance Ruling comments as set forth in the schedule.
5. Parties shall meet and confer before the date set in the schedule to identify any areas of alignment; attempt to come to agreement on issues; and vet and refine proposal ideas.
6. The ALJ may modify the procedural schedule as necessary and convenient.

Dated June 29, 2026, at San Francisco, California.

/s/ JOHN REYNOLDS

John Reynolds
Assigned Commissioner