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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Building Decarbonization.	Rulemaking 19-01-011

ASSIGNED COMMISSIONER'S AMENDED PHASE 3B SCOPING MEMO AND RULING

This Amended Scoping Memo and Ruling reopens and amends the scope for Phase 3B of this proceeding. Decision (D.) 23-12-037 resolved Phase 3B by eliminating electric line extension subsidies for mixed-fuel new construction projects with limited exceptions.

This Amended Scoping Memo and Ruling enters a letter received from the Morongo Band of Mission Indians into the record of the proceeding, and considers whether to modify D.23-12-037 for the limited purpose of addressing the additional issue of whether the implementation of the decision creates an undue and disproportionate burden on the California Tribal Nation and Tribal members. The ruling directs the investor-owned utilities to file and serve responses to the questions below. The ruling also invites all other parties to file and serve responses to the questions set forth below. Opening comments are due on August 14, 2026, and reply comments are due on August 21, 2026.

1. Procedural Background

On January 31, 2019, in response to the passage of Senate Bill (SB) 1477 (Stern) Stats. 2018, ch. 378, the California Public Utilities Commission (Commission) initiated this rulemaking to support the decarbonization of buildings in California. A Scoping Memo was issued on May 17, 2019, setting forth the issues to be considered in this proceeding and specifically identifying the issues for Phase 1. Phase 1 was resolved in D.20-03-027 issued on April 6, 2020. Subsequently, the Assigned Commissioner issued additional scoping memos and rulings to establish Phase 2 through Phase 4.

On July 26, 2023, the assigned Commissioner issued an Amended Scoping Memo and Ruling setting the scope and schedule for Phase 3B of this proceeding. The outstanding Phase 3B issues were resolved in D.23-12-037, which eliminated electric line extension subsidies for all mixed-fuel new construction effective July 1, 2024. The decision adopted the same exemption criteria set by the Commission to grant subsidies for gas line extension projects, as outlined in D.22-09-026. It stated that the new rules would only apply to new applications for electric line extensions in all mixed-fuel new constructions as of July 1, 2024; and that it would not impact upgrade applications for existing facilities, or any applications submitted to the electric investor-owned utilities (IOUs) before July 1, 2024.

As articulated in the July 26, 2023, Phase 3B Amended Scoping Memo and Ruling, the Commission considered modifying or eliminating electric line extension subsidies (*i.e.*, allowances, refunds, and discounts) provided under then-current electric line extension rules for mixed-fuel new construction, to encourage and advance building decarbonization. The issues resolved by D.23-12-037 included:

a. Whether the Commission should modify or eliminate electric line extension subsidies for mixed-fuel new construction for some or all customer classes (residential and non-residential);

b. Whether applicant builders of mixed-fuel new construction projects should be required to pay actual costs encumbered by the electric IOU to facilitate electric line extension rather than only estimated costs, as well as whether the electric IOUs should be required to report annually on electric line extension expenditures; and

c. Whether applicant builders of mixed-fuel new construction projects should be exempt from any potential elimination of electric line extension subsidies if the building project is granted an exemption by the Commission from the elimination of gas line extension subsidies.

2. Phase 3B Additional Scope of Issues

On June 9, 2026, the Commission received a letter from the Morongo Band of Mission Indians requesting that the Commission reconsider D.23-12-037 in the context of how the decision impacts building construction within the bounds of Tribal trust lands in California, especially the Morongo Indian Reservation. The Tribe requested that the Commission ensure that the rules adopted as to the electric line subsidies for dual fuel buildings not disadvantage California Tribal communities that are situationally unique, nor should the decision infringe upon the inherent sovereignty and jurisdiction of federally-recognized Indian Tribes (*see* letter from the Morongo Band of Mission Indians attached as Attachment A to this amended scoping memo and ruling).

Although the signatory Tribal Government and other potentially impacted Tribal Governments are not parties to this proceeding, Commission Rules of Practice and Procedure, Rule 1.2, and the Commission's Tribal Consultation Policy permit the Commission to take notice of a letter from a Tribal Government.

The letter states:

> Morongo requests that the Commission preserve electric line extension allowances, refunds, and discounts under Southern

> California Edison Company's ("SCE") Electric Tariff Rules 15 and 16 for new residential dwellings located within the exterior boundaries of the Morongo Indian Reservation where Morongo certifies that the project serves a Morongo Tribal Member, Reservation resident, Tribal housing program, or other Reservation household certified by the Tribe. This relief should apply prospectively and, to the extent available, to pending applications that have not yet been energized.
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> Morongo also requests, either as part of the same modification or through a focused Phase 4 process, that the Commission consider comparable treatment for Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on the Reservation. Such relief can be limited to facilities that Morongo certifies as serving Reservation residents or supporting essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.
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> This request is narrow, administrable, and consistent with the Commission's building de-carbonization objectives. It does not seek to disturb the statewide policy direction of R.19-01-011. This request aims to avoid an unintended and disproportionate burden on individual Tribal families and essential Reservation-serving facilities under land tenure, infrastructure, reliability, and cultural conditions that are not comparable to ordinary off-Reservation development.

Additionally, the letter raises concerns regarding additional costs and potential infeasibility of building all-electric on the reservation, interfering with the Tribe's ability to provide essential services for its citizens. The Tribe states that:

> The same underlying Reservation conditions previously detailed may affect essential community-serving facilities. Tribal governments must provide services that off-Reservation residents and businesses often receive from cities, counties, special districts, or private providers supported by dense infrastructure. On the Reservation, public safety, emergency management, health,

> education, elder services, cultural facilities, housing support, water and wastewater facilities, and Tribal businesses may require new or extended electric service in areas where distribution infrastructure is limited. These uses support governmental, community, cultural, and essential services for Reservation residents.

The Commission, via D.23-12-037, did not intend to impose conditions on Tribal governments that result in adverse impacts on Tribal governments' ability to ensure adequate and affordable services, housing, or other development on Tribal trust lands. The letter also raises concerns regarding compliance with the Commission's Environmental and Social Justice (ESJ) Action Plan.

The Commission issued D.23-12-037 without the benefit of Tribal consultation. The June 9, 2026, letter from the Morongo Band of Mission Indians raises compelling new issues that require reopening Phase 3B of R.19-01-011 to address the limited issue of whether and to what extent the elimination of electric line subsidies in dual fuel buildings should or should not apply on Tribal lands served by IOUs.

Due to the aforementioned new information gained since the implementation of D.23-12-037, this ruling reopens Phase 3B and adds the following issues to the scope of this proceeding:

1. Should the Commission modify D.23-12-037 to specifically apply an exemption from the elimination of the subsidy for electric line extensions for mixed-fuel new construction for buildings located on Tribal lands?[1]
2. Does the elimination of the electric line subsidy for mixed-fuel projects located on Tribal lands create undue burdens for Tribal governments and Tribal members that are uniquely different from communities outside Tribal lands?

[1] *See* D.23-12-037 at Ordering Paragraph 4.

3. Is the lack of an exemption to the elimination of the electric line subsidy for buildings on Tribal lands in D.23-12-037 in conflict with any of the goals of the Commission's ESJ Action Plan?

3. Schedule

This ruling adopts the following schedule for considering the additional issues in Phase 3B of this proceeding and finds that no evidentiary hearings are needed. The assigned Commissioner or Administrative Law Judge may modify the schedule as needed.

Event	Date
Party Comments on Amended Scoping Memo Questions	August 14, 2026
Reply Comments	August 21, 2026
Tribal Consultation	August/September, 2026
Ruling requesting comments on Tribal Consultation notes	Within 7 days of Tribal Consultation
Party comments on Tribal Consultation notes	10 days after ruling
Proposed Decision	Q4, 2026

4. Request for Party Comments

This ruling directs the IOUs to file and serve comments and invites other parties to comment on the additional issues listed in Section 2 above. In addition, the IOUs are directed to file and serve, and other parties to the proceeding may file and serve, comments in response to the following questions.

1. D.23-12-037 specifically allows for exemptions to the elimination of the electric subsidy for dual fuel buildings. Should the Commission designate a specific exemption for buildings located on Tribal lands? If the Commission were

to designate such an exemption, that applies to all electric IOUs, how should it be implemented?

a. Should each of the electric IOUs be required to submit an advice letter consistent with General Order 96-B (specifically Rule 9.2.3) to implement the exemption?

b. Should the advice letter specify that the electric IOU must deviate from or modify its tariff to allow for subsidies for electric lines serving new dual fuel buildings on Tribal trust lands; if the Tribe certifies that the new structure will serve Reservation residents or will support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions?

2. Attachment A is a letter received from the Morongo Band of Mission Indians. Please provide any comments on the requests of the Tribe set forth below or otherwise provided in the attached letter.

   a. Recognize that the Morongo Indian Reservation and other Tribal lands across the state present unique Tribal, ESJ, land tenure, infrastructure, affordability, cultural, and reliability conditions that were not fully addressed in D.23-12-037;

   b. Modify D.23-12-037, as modified by D.25-06-034, to preserve electric line extension allowances, refunds, and discounts under applicable SCE Electric Tariff Rules for new construction on the Morongo Indian Reservation and other Tribal land including residential, essential Tribal community-serving facilities, and Tribal Member businesses;

   c. Direct SCE to administer the exemption through Tribal certification and report usage through existing R.19-01-011 reporting requirements.

3. The IOUs are to provide a list of the following:

a. All exemptions that have been requested by customers within each IOU's territory as to the elimination of the electric line subsidy for dual fuel buildings;

b. All advice letters where the IOU has filed for an exemption of the elimination of the dual fuel subsidy as to both electric and gas line subsidies; and

c. List of all Tribes that have requested an exemption for the elimination of the subsidy within their territory.

4. Should the Commission exempt projects that are either in progress or on hold, that were approved by the Tribe, prior to adoption of D.23-12-037?

   a. The IOUs are to include in their response a process as to how the appropriate electric line subsidy could be applied to these projects.

   b. The IOUs shall also provide a list of dual fuel projects located on Tribal trust lands that are pending, in progress, or completed that have not had an electric line subsidy applied to the project(s) since the adoption of D.23-12-037.

IT IS RULED that:

1. The scope of this proceeding is amended as described above and is adopted.

2. The schedule of this proceeding is set forth above and is adopted.

3. Evidentiary hearings are not needed.

4. The category of the proceeding remains quasi-legislative.

5. Commissioner Darcie L. Houck is the presiding officer.

6. Investor-owned utilities shall and other parties may file and serve responses to the questions set forth in this ruling no later than August 14, 2026.

7. Parties may file and serve reply comments no later than August 21, 2026.

Dated July 23, 2026, at San Francisco, California.

/s/ DARCIE L HOUCK

Darcie L. Houck
Assigned Commissioner