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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Improve the California Climate Credit	R.25-07-013 (Filed July 24, 2025)

OPENING COMMENTS OF ENVIRONMENTAL DEFENSE FUND ON ASSIGNED COMMISSIONER'S RULING PROVIDING DIRECTION AND SETTING THE PHASE 1B PROCEDURAL SCHEDULE

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I. Introduction

Environmental Defense Fund (EDF) respectfully submits these comments on the Phase 1B issues raised in the June 29, 2026 Assigned Commissioner's Ruling Providing Direction and Setting the Phase 1B Procedural Schedule (June ACR). This filing is timely made pursuant to the Administrative Law Judge's Email Ruling Adjusting the Procedural Schedule issued on July 9, 2026.

EDF strongly supports the priorities and principles established in the June ACR, and appreciates this opportunity to comment on the issues, questions, and proposals raised by the Assigned Commissioner. EDF shares many of the priorities highlighted in the June ACR and will focus these comments on two foundational concepts consistent with the priorities established in Sections 2.1 and 2.2 of the June ACR: first, that "Affordability is a central principle;" and second, that "Electrification should be encouraged." Specifically, EDF recommends that the Commission restructure the Climate Credit to target ratepayers who are most in need of affordability assistance, and it should be calculated and returned to customers in proportion with their electricity usage, with provisions to ensure that low-income customers are made better off by the changes. The proportionality of the Credit in alignment with their electricity usage would be most likely be accomplished with a volumetric methodology. These strategies will amplify the Cap-and-Invest program's affordability benefits, consistent with Assembly Bill (AB) 1207, by enabling the program to directly reduce electricity prices for residential customers – with particular emphasis placed on low-income customers enrolled in the CARE program. These changes will help to alleviate energy bills to California households and make it more affordable for families to use electricity to power their home heating, cooling, cooking, and transportation.

II. Foundational Principles for Modifications to the Climate Credit

A. Target Customers Most Needing Affordability Support

EDF supports prioritizing residential, and especially low-income customers, in the redesign of the electric Climate Credit. As discussed in the June ACR, the principle established in Decision (D.)12-12-033 and subsequent decisions to preserve the carbon price signal in electricity rates is no longer necessary or appropriate. When the Climate Credit was first created, California was relatively early in its transition to cleaner, non-Greenhouse Gas (GHG) emitting generation sources, and it was reasonable to provide incentives for customers to reduce electric use, especially during high usage periods when the California grid relied primarily on fossil fuel fired generation. In contrast, in 2023, more than forty percent of California's electricity came from certified Renewable Portfolio Standard (RPS)-eligible sources such as solar, wind, and geothermal power, and as much as two-thirds of the state's electricity came from non-GHG-emitting generation sources.[1] California maintains ambitious targets both for reaching a 100% carbon-free electric grid by 2045, and phasing out the use of fossil fuels for transportation and most home use by promoting electrification. At the same time, retail electric rates for the three large investor-owned utilities (IOUs) have risen sharply.[2] AB 1207 and the recently adopted California Air Resources Board's (CARB's) amendments to the Cap-and-Invest Regulation[3] recognize this by directing attention towards the pressing issue of electric affordability, and changing the rules for return of the Climate Credit to customers in ways that allow more flexibility to address affordability needs.

According to a recent Public Policy Institute of California study, customers with incomes below 200 percent of the federal poverty level (the income eligibility limit for California Alternative Rates for Energy (CARE)) spend more than double the percentage of their income on electricity than higher income households.[4] In EDF's view, this is an unsustainable energy burden, which is defined as the percentage of income devoted to

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[1] https://www.gov.ca.gov/2025/07/14/in-historic-first-california-powered-by-two-thirds-clean-energy-becoming-largest-economy-in-the-world-to-achieve-milestone/

[2] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/historical-electric-cost-data/bundled-system-average

[3] See 2026 Amendments to the Cap-and-Invest Regulation, formerly known as the Cap-and-Trade Regulation, adopted by CARB on May 29, 2026. https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2026/cap_invest/Attachment%20A-1%20Final%20Regulation%20Order.pdf

[4] https://www.ppic.org/blog/low-income-households-struggle-with-the-cost-of-electricity-bills/

energy services. These disparities in energy burden persist despite the high penetration rate of the CARE program among eligible customers in the service territories of the large IOUs and the significant discount CARE customers receive. The modification of the Climate Credit structure provides an opportunity to assist customers who are hit hardest by recent increases in energy costs and who are particularly vulnerable to the impacts of the climate crisis. EDF strongly urges the Commission to use the Climate Credit to provide relief to these customers.

B. Return the Climate Credit to Customers in Proportion to Their Energy Use

EDF's second foundational principle is to tie the amount of the Climate Credit for residential customers to their electric usage, through either a fully volumetric calculation or a tiered usage return structure, with additional consideration given to ensuring low-income customers receive additional bill savings as a result of the structural changes. EDF wants to ensure that no residential customer is made worse off by the changes to the Climate Credit, and thinks that should be a basic test of the impact of this principle in the re-design of the Climate Credit. As discussed in the June ACR, electrification of transportation and buildings, coupled with grid decarbonization, are key components of California's strategy to reduce GHG emissions in line with its statutory targets.[5] At the same time, high electric rates and up-front costs of new electric-only appliances are barriers for households to switch fuels for major types of energy usage such as water and space heating. CARB has acknowledged the potential negative impact of these factors on

[5] June ACR at pages 3-4.

home affordability, and has released a project solicitation to study these effects in more detail.[6] The Climate Credit could more effectively help households switch from gas to electric appliances—therefore supporting the state's decarbonization goals—by directly reducing electricity *prices* on a volumetric basis, rather than as a flat amount given to all residential customers, regardless of usage, climate zone, and low-income status. Using the Climate Credit to "buy down" high electric costs and bills, especially during high usage times of year, will help address one of the most pressing affordability concerns facing California while also making it more affordable for households to "fuel switch."

C. Other Recipients of the Climate Credit

Currently, over 90% of revenue available for PG&E's electric Climate Credit goes to residential and small business customers,[7] and percentages appear to be similar for the other large IOUs.[8] EDF supports continuing to direct the large majority of Climate Credit funds to residential customers. EDF also supports directing funding in a targeted manner to mitigate against emissions leakage in emissions intensive, trade exposed (EITE) industrial customers, and if deemed appropriate, small business customers. At the same time, EDF urges the Commission to ensure that amounts provided to non-

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[6] https://ww2.arb.ca.gov/our-work/programs/sustainable-communities-program/project-solicitation/effects-zero-emission

[7] Estimate derived from information on GHG Allowance Revenues included in D.24-12-038, Decision Approving PG&E 2025 Energy Resource Recovery Account (ERRA) Forecast Application, Table 4, at page 42. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M550/K288/550288170.PDF

[8] See, for example, D.24-12-040 at Ordering Paragraph 1.m. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M550/K482/550482086.docx

residential customers are narrowly targeted in order to maximize the household affordability credits for residential customers. EDF encourages the Commission to focus on residential customers, as consistent with the Phase IB Scoping Memo. EDF would appreciate the opportunity to comment further on small business or EITE issues in an appropriate venue in the future.

III. June ACR Questions

In this section, EDF responds to many of the questions raised in Section 4 of the June ACR. EDF reserves the right to comment in the future on issues not addressed here.

Section 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?*

EDF notes (as acknowledged in Section 3.3 of the June ACR) that volumetric return of the gas Climate Credit is still prohibited.

2. *CARB separately adopted Resolution 26-7 on May 29.* [footnote omitted] *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?

EDF believes that these factors have impacts that should be considered in this phase of the proceeding.

The transition of the natural gas Climate Credit to an enhanced electric Climate Credit should be considered in the development of Phase 1B proposals related to the future of both the electric and gas Climate Credits, because it will significantly change the allowances available for funding the gas and electric credits throughout the upcoming transition period. The impact of the Diablo Canyon allocation on this phase may be less direct, but it could have implications for how many allowances are allocated to different Electrical Distribution Utilities (EDUs) and therefore to the revenue available for each EDU's customers.

3. *What limitations, if any, from Pub. Util. Code Section 748.5, and/or any other section, apply to considerations in this phase?*

EDF is not aware of additional limitations at this time, but reserves the right to comment on this issue in the future.

4. *Are there any other specific authorities that apply to and should guide other changes made in this Phase?*

EDF is not aware of additional relevant authorities at this time, but reserves the right to comment on this issue in the future.

Section 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?*

EDF supports using these factors in the development of changes to the Climate Credit. In particular, EDF recommends that, consistent with current law and regulations, the Commission focus on providing affordability relief to residential customers, with a focus on low-income customers. Importantly, assistance provided through the Climate Credit should be scaled based on customer characteristics, especially low-income status and household electricity usage required to meet basic needs such as heating, cooling, and operation of medical equipment.

2. *How should affordability metrics from the Affordability Rulemaking (R.18-07-006) be integrated or considered in this proceeding?*

The affordability metrics adopted in Rulemaking (R.) 18-07-006 include hours at minimum wage, the Affordability Ratio as determined using the Affordability Ratio Calculator (ARC), and the general economic vulnerability. EDF supports applying tools such as the ARC and hours at minimum wage into analyses of the impact of changes to the Climate Credit. This may involve using aggregated customer data broken out by climate zone, electricity usage, CARE participation, medical baseline enrollment, and other factors that can be determined from utility records to determine the disparate impacts of proposals for re-structing the Climate Credit on different customer groups. Based on those metrics, EDF also suggests that the Commission could direct the utilities to communicate the impacts of the Climate Credit and other bill relief strategies in a more customer oriented manner.

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?*

Decision (D.) 12-12-033 discusses eight policy objectives considered in the original design of the Climate Credit for electric ratepayers.[9] D.21-08-026 retained these principles without modification, except to the extent that it re-prioritized these objectives to emphasize preserving the carbon price signal, preventing emissions leakage, reducing adverse impacts on low-income households, and maintaining competitive neutrality across load serving entities.[10] D.15-10-032 does not explicitly change these principles, though in practice the decision seems to emphasize affordability, simplicity, and preserving the carbon price signal,[11] while also noting the health and safety benefits of reducing GHG emissions overall through the then-Cap-and-Trade Program.

As discussed in Section II, above, EDF's view is that the Commission's main original objective, retaining the carbon price signal in electric rates, is no longer relevant. The other objectives remain relevant, though some, like preventing emissions leakage, are not applicable to the issues in Phase 1B of this proceeding. EDF urges the Commission to focus on improving energy affordability for all residential households, with partiuclar emphasis on low-income households, and to replace the principle of

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[9] D.12-12-033, Section 5.2.

[10] D.21-08-026 at pages 12-13.

[11] D.15-10-032 at page 32.

preserving the carbon price signal in electric rates with a lens of encouraging electrification.

Section 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?*

Yes, EDF supports the assigned Commissioner's priorities as laid out in Section 2 of the June ACR. All five of the priorities discussed in the Ruling are appropriate for this phase of the proceeding. In addition to EDF's strong support of affordability and encouraging electrification, EDF considers simplicity and a narrow focus to be particularly important given the expedited schedule for consideration of these issues and the need to provide affordability support, in particular, as soon as practicable.

Section 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?*

EDF agrees that a narrow focus in this phase of the proceeding is appropriate, for the reasons noted above.

Of the three proposals discussed in the June ACR, EDF strongly recommends that the Commission focus on some variation of option 3 (the purely volumetric approach in

Section 3.2.4), possibly with the addition of a minimum benefit guarantee or increased assistance based on greater need, as suggested in Section 3.2.3 of the June ACR. Based on EDF's preliminary review and analysis of the IOUs' initial data filings submitted on July 17, 2026, EDF expects that this design is most likely to ensure that low- and moderate-income customers receive meaningful affordability support, without creating a complex allocation methodology that could be slow or difficult to implement.

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?*

Some variation of this proposal would likely meet legal requirements, but it would not align with the Assigned Commissioner's priorities. EDF urges the Commission not to focus on this option, which does not target specific affordability support to low- and moderate-income households. In addition, this option misses an opportunity to make electricity rates more affordable, due to the flat nature of the Climate Credit. This option also does not appear targeted to encourage electrification.

3. *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?*

EDF recommends against the Commission adopting this option.

EDF does not provide a response on what, if any, Phase 1A party proposals may be appropriate for consideration in Phase 1B but reserves the right to comment on the issue in the future.

4. *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?*

EDF encourages the Commission to evaluate proposals based on their ability to enhance affordability benefits to residential and low-income customers. We suggest that one important element of this evaluation should be to ensure that low-income customers are no worse off, and ideally are better off, under the structure adopted in Phase 1B than under the current Climate Credit framework.

In addition, EDF recommends that the Commission assess the ability of each proposal to provide price reductions for residential customers, and place a high value on proposals that provide residential and low-income customers with the greatest price reductions.

Section 4.5 Assigned Commissioner's Electric Credit Proposal Concepts

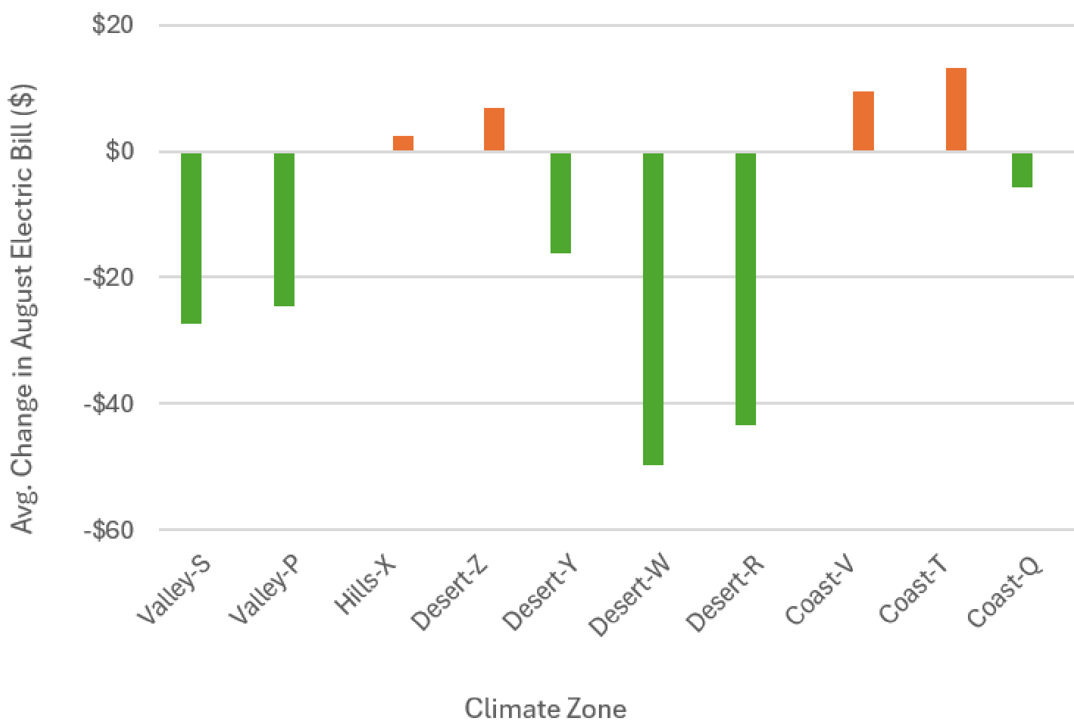
1. *Do the proposal concepts meet the requirements in CARB's May 29, 2026 adopted regulations, and are there additional requirements/limitations that proposals need to consider?*

EDF believes that the volumetric return option or a variation of that option best meets the requirements of CARB's May 29, 2026 regulations. EDF does not provide a response on whether there are additional requirements or limitations that proposals need to consider but reserves the right to comment on the issue in the future.

2. *Do they fulfill my stated priorities? If not, how could they be modified to better align with those priorities?*

Based on EDF's preliminary analysis of these proposals and related data, the option that best aligns with the Assigned Commissioner's stated priorities is the purely volumetric return. At the same time, modifications to a pure volumetric return may be needed to ensure all low-income customers are made better off under the restructured Climate Credit. For example, an initial review of the utilities' data submissions on July 17, 2025 suggests that shifting from a flat credit to a pure volumetric return would reduce August electric bills for Pacific Gas & Electric's (PG&E's) CARE customers in most – but not all – climate zones. Shown below in Figure 1, August electric bills for CARE customers in the Desert-W and Desert-R climate zones are estimated to decrease by more than $40, on average, under a volumetric credit. However, CARE customers in other climate zones, such as Coast-T, are, on average, expected to see an increase in their August electric bill if credits are changed from a flat to a volumetric approach.

Figure 1: Average Change in CARE Customers' August Electric Bills Under Fixed vs. Volumetric Climate Credits (PG&E)



Green bars indicate a decrease in the average August electric bill for PG&E's CARE customers if the Climate Credit were changed from flat to volumetric credits. Orange bars indicate an increase in the average CARE customer's August electric bill. Data from PG&E's July 17 Data Response, Section E, Part (c).

This analysis is preliminary, and EDF suggests that additional record development through workshops, comments, and more detailed data analyses is appropriate to better estimate each proposal's impacts.

The volumetric option, or a variation on that option, is also most likely to encourage electrification by ensuring that all usage associated with fuel switching projects, which may incur relatively large increases of electric use, are accounted for in Climate Credit calculations within the restrictions of AB 1207 limitations (e.g., credited on no more than four bills a year). EDF recommends that the Commission consider variations of the volumetric return proposal that include reserving some fraction of the allowance proceeds to split either evenly or volumetrically among CARE customers.

One way to accomplish this would be to use a portion of the Climate Credit pool to create a minimum payment or flat adder for customers enrolled in CARE, and return the rest of the proceeds volumetrically to all customers, including CARE customers. Such a system could be designed to ensure that low-usage CARE customers are not made worse off by the change to volumetric credits. Alternatively, CARE customers could receive a larger per-kilowatt hour credit through the Climate Credit than non-CARE residential customers, essentially guaranteeing that a large enough proportion of the Climate Credit goes to low-income customers that none are made worse off due to the change from flat to volumetric distribution.

The tiered usage proposals, in contrast, essentially ensure that any usage above a pre-determined level receives the same amount of credit (potentially with a "bonus" increment for CARE customers). This significantly limits its usefulness in encouraging electrification, especially by customers who already have high electric usage. Similarly, the tiered proposals create the potential for various types of unfairness by either giving neighboring customers with widely different usage (for example, 200% or 400% of baseline) the same credit, or potentially giving customers with similar usage in different climate zones different credit amounts.

At the least, the climate zone-tiered proposals would need to be modified to avoid short-changing medical baseline customers, who have a higher baseline allowance consistent with their need for life- and health-supporting medical equipment, and therefore could need higher usage to qualify for an above-baseline usage increment.

Adjustments for medical baseline customers or the need to categorize customers within climate zones by tariff or average bill,[12] would undermine the governing principle of simplicity and could complicate implementation.

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?*

The most straightforward way to identify moderate-income customers is likely to use the existing Family Electric Rate Assistance (FERA) program, which has an income limit of 250% FPL. Utilities already keep data on FERA participation in their billing systems; the program uses the same application as CARE and provides smaller-scale bill credits to households in the 200% to 250% FPL range.[13]

Unfortunately, FERA is available to a relatively narrow slice of customers compared to CARE, with much more constrained income eligibility thresholds. In addition, FERA penetration rates (percent of eligible customers who are enrolled in the program) are significantly lower than CARE program penetration.[14] EDF does not

[12] June ACR at page 9.

[13] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program

[14] See, for example, this study of FERA penetration rates: https://pda.energydataweb.com/api/view/4156/2025-06-06%20-%20FERA%20Study%20Draft%20Report.pdf Executive Summary: "While CARE enrollments have been estimated to be above 100 percent of the total eligible population served by the California IOUs, FERA enrollments have lagged substantially and are falling short of annually increasing enrollment targets. In 2024, for example, Pacific Gas

speculate as to the reason for these low penetration rates or whether increased education and outreach or other approaches could raise enrollment. Nevertheless, the fact remains that very few customers could qualify for a moderate-income Climate Credit adder or adjustment through FERA in the near term.

As a next step in this proceeding, EDF recommends that the Commission direct the utilities to provide additional data on FERA enrollment, as well as information on what other identifiers, if any, exist in utility billing systems or other databases that could serve to identify moderate-income households. EDF supports ensuring moderate-income households are not made worse off by the change in distribution methodology; it remains to be seen whether there is an administratively efficient way to accomplish this.

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?*

Yes, EDF strongly recommends pursuing a volumetric Climate Credit calculation modified to provide an additional amount for low-income customers, to ensure that no low-income customers are made worse off by the shift to a different calculation and distribution methodology. The volumetric option, with modifications to protect low-income customers, best addresses the Assigned Commissioner's priorities by providing affordability benefits to those who need it most, providing incentives for increased

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and Electric's (PG&E's) enrollment target was 60 percent of the eligible customer base, but only about 25 percent of eligible customers were enrolled in FERA."

electrification, and avoiding the complexity, implementation, and potential fairness issues raised by the other current proposals.

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.*

Yes, as discussed in Section II and in EDF's responses to Questions 2, 3, and 4 of Section 4.5 of the June ACR above, a volumetric credit, preferably with an additional amount provided to low-income customers as identified by CARE participation, best supports both customer affordability and electrification goals, within the limits of Section 748.5(a)(3).

6. *What implementation issues or considerations do these options raise?*

EDF recommends additional record development or workshops to identify and address any implementation issues not already raised in the June ACR or discussed in these comments.

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?*

EDF supports the concept of adjusting the Climate Credit to exclude residential accounts associated with vacation rentals and second homes to the extent feasible. The Climate Credit supports affordability goals best if as much as possible the pool of available funds is directed to customers at their primary residences. EDF recommends exploring this option further as Phase 1B moves forward, including by asking the IOUs whether second homes and vacation rentals have specific tariffs associated with them, or whether these categories are otherwise captured in IOU billing and customer records.

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

EDF does not provide a response to this question but reserves the right to comment on the issue in the future.

Section 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?*

Yes, EDF agrees that the revenue pool for the gas Climate Credit is likely to decline, based on CARB's recently adopted regulations which transition more than 50% of the allowances allocated to gas IOUs to electric utilities by 2030, and 70% by 2031. It seems unlikely that increases to allowance prices would offset this reduction in the number of allowances allocated to gas IOUs, but further record development may provide more definite information on this issue. However, absent new analysis indicating otherwise, EDF suggests that the Commission proceed with the knowledge that the gas credit will be declining.

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?*

Consistent with our comments submitted to CARB on March 9, 2026, and May 4, 2026, on this topic,[15, 16] EDF advocates for prioritizing low-income (and to the extent feasible, moderate-income) customers for the gas Climate Credit as well as the electric Climate Credit. CARB ultimately supported EDF's proposals on these issues in its May 29, 2026, Cap-and-Invest regulation. EDF recommends the Commission design the remaining gas Climate Credits and the enhanced electric Climate Credits to ensure that low- and moderate-income households are "made whole," across their electric and gas bills, throughout the transition of allowance allocations away from gas IOUs. Further record development and data analysis is needed to determine how to accomplish this goal without unnecessary complexity.

[15] See letter "RE: Environmental Defense Fund Comments on Initial Statement of Reasons Regarding Proposed Amendments to the Cap-and-Invest Regulations," submitted to CARB on March 9, 2026, at pages 27-29. https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200184/pid_213315/assets/merged/7z0piqwnbpp_document.pdf?v=42796

[16] See Letter "Re: Environmental Defense Fund comments on 15-day Amendments to Proposed Cap-and-Invest Regulations," submitted May 4, 2026, at pages 22-24. https://scs-public.s3-us-gov-west-1.amazonaws.com/env_production/oid377/did200184/pid_213315/assets/merged/bv0ci6clmhe_document.pdf?v=33012

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?*

Further record development and data analysis is needed to determine whether the proposal in Section 3.4 of the June ACR will accomplish this goal.

Whether this or another strategy is pursued for the calculation of the gas Climate Credit, EDF recommends that the Commission require that education and marketing related to the gas Climate Credit be targeted specifically towards assisting low- and moderate-income customers. Specifically, education accompanying the gas credit should include realistic ways that residential customers can use the (likely) small credit amounts to lower gas use. It may be unrealistic for low-income gas customers to use their remaining gas Climate Credit to fund major fuel-switching investments, but such materials could provide practical suggestions on ways to decrease gas use.

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

EDF does not provide a response to this question but reserves the right to comment on the issue in the future.

IV. Conclusion

EDF thanks the Commission for the opportunity to comment on Phase 1B issues.

Respectfully submitted,

DATED: July 24, 2026

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