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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval of Electric Rule No. 30 for Transmission-Level Retail Electric Service.	Application 24-11-007

ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON PROCEEDING STATUS

This ruling asks parties to submit comments on a recent show cause order issued by the Federal Energy Regulatory Commission to the California Independent System Operator and Participating Transmission Owners.

1. Procedural Background

On November 21, 2024, Pacific Gas and Electric Company (PG&E) filed Application (A.) 24-11-007 (Application) proposing a new electric rule tariff, identified as Electric Rule 30 (Electric Rule 30), to interconnect transmission-level customers seeking retail services.

On December 23, 2024, The Utility Reform Network (TURN) and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed their protests to the Application.

The Joint Community Choice Aggregators (Joint CCAs),[1] filed a response to the Application.

[1] The Joint CCAs consist of Ava Community Energy, Central Coast Community Energy, Marin Clean Energy, Peninsula Clean Energy, Redwood Coast Energy Authority.

On January 2, 2025, PG&E filed a reply to the protests and response.

A prehearing conference (PHC) was held on January 29, 2025, to determine the need for a hearing, set the schedule for resolving the matter, and address other matters as necessary. San Jose Clean Energy's (SJCE's) oral motion for party status as a Joint CCA was granted at the PHC.

On January 24, 2025, PG&E filed a motion for interim implementation, urging the Commission to act expeditiously and approve the interim implementation of Electric Rule 30 (Motion).[2]

On February 10, 2025, the Joint CCAs,[3] TURN and the Cal Advocates filed their responses opposing the Motion.

PG&E filed a reply to the responses on February 18, 2025.

On March 11, 2025, the Assigned Commissioner issued a Scoping Memo and Ruling (Scoping Memo).

On March 18, 2025, an Administrative Law Judge (ALJ) ruling was issued requesting additional information from PG&E regarding the Motion (ALJ Ruling).

Shell Energy North America (US), L.P. (Shell Energy) filed a motion for party status on March 20, 2025, which was granted via an ALJ ruling on April 21, 2025.

On March 21, 2025, PG&E served a consolidated Initial Prepared Testimony and additional supplemental testimony in a single exhibit,

[2] Motion at 4.

[3] The Joint CCAs consist of Ava Community Energy, Central Coast Community Energy, Marin Clean Energy, Peninsula Clean Energy, Redwood Coast Energy Authority, San José Clean Energy and Silicon Valley Clean Energy.

Supplemental Testimony, organized based on the identified issues in the Scoping Memo.

On June 6, California Community Choice Association (CalCCA) filed a motion for party status.[4] A June 18, 2025, ALJ ruling granted the request.

Following rounds of party comments responsive to the ALJ Ruling, on July 28, 2025, Decision (D.) 25-07-039 was issued, partially granting PG&E's January 24, 2025 motion for interim implementation of Electric Rule 30. This decision allows for interim implementation for transmission-level customers who provide advance or actual cost payments and voluntarily prefund up to 100 percent of specific transmission network upgrades. The decision requires new transmission-level customers seeking retail services to be responsible for the initial costs of all transmission facilities, rather than those costs being borne by ratepayers.

The Motion was partially denied for the interim implementation period regarding any refunds for advances, actual cost payments, or contributions, as well as associated accrued interest. These matters are deferred to the final decision of the proceeding, at which point the Commission will examine cost allocation and causation in light of the entire record. Similarly, repayments of pre-funded loans were also denied during this interim period, and their full repayment is not guaranteed. D.25-07-039 is effective until a subsequent or final

[4] CalCCA represents the interests of 24 community choice electricity providers in California, including the Joint CCAs: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

decision on Electric Rule 30 is issued, without prejudicing the determination of these issues in the final decision in this proceeding.

On September 18, 19, and 22, evidentiary hearings were held in this proceeding. Opening Briefs were filed on October 24, 2025. On November 21, 2025, an ALJ ruling was issued suspending the proceeding schedule. On January 9, 2026, a ruling establishing a new proceeding schedule was issued, directing parties to submit additional testimony and comments on issues relating to Cost Causation and Cost Recovery. On February 17, 2026, the proceeding schedule was further modified, in response to a Motion on February 13, 2026 by PG&E to submit additional Supplemental Testimony.

PG&E, Cal Advocates, TURN, and Sierra Club served opening testimony responsive to the January 9, 2026 ALJ ruling on March 13, 2026. Rebuttal Testimony on all testimony, including PG&E's supplemental testimony served February 13, 2026, was served on April 8, 2026 by PG&E, Cal Advocates, CLECA, TURN, and Sierra Club. Evidentiary hearings were held on April 15 and 17, 2026. Limited Opening Briefs were submitted on May 8, 2026 by PG&E, Cal Advocates, TURN, CLECA, Sierra Club, and NRDC. Reply Briefs were submitted on May 22, 2026 by NRDC, TURN, CalCCA, CLECA, Sierra Club, CLEU, PG&E, and Cal Advocates.

2. FERC Show Cause Order

On June 18, 2026, the Federal Energy Regulatory Commission (FERC) issued a Show Cause Order (Order) under Section 206 of the Federal Power Act to the California Independent System Operator (CAISO) and other Participating Transmission Owners (PTOs).[5] The Order asked that the CAISO and PTOs

[5] *Cal. Independent Sys. Operator Corp.*, 195 FERC ¶ 61,214 (2026). FERC Docket EL26-71-000.

explain "why their current tariffs remain just and reasonable in the absence of clear and consistent provisions for large load customers—or alternatively to propose changes."[6] The Order (Attachment 1) was filed in Docket No. EL26-71-000.[7] The Order states that FERC has an interest in issues related to the large number of growing requests for transmission service to serve large loads, as well as issues related to the co-location of loads with generating facilities. The Order also highlights the release by the Secretary of Energy of an advanced notice of proposed rulemaking (ANOPR) in October of 2025, which directed FERC to consider taking additional actions to address the addition of large and co-located loads to the transmission system.[8]

The Order then goes on to summarize CAISO's current tariff and processes as they relate to large load customers, and preliminarily determines that "CAISO's Tariff and/or the [Transmission Owners (TO)] Tariffs appear to be unjust and unreasonable because they lack provisions that address, with sufficient clarity and consistency, how CAISO and/or the Participating Transmission Owners will timely study (i.e., within 60-90 days of receiving the request) the provision of transmission service to Eligible Customers on behalf of large loads."[9] The Order requests that the CAISO and Participating Transmission Owners explain whether their tariffs are just and reasonable

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[6] Fact Sheet: FERC Takes Action to Supercharge America's Grid for Efficiency, Reliability, and a Bold Energy Future, June 18, 2026, *available at* https://www.ferc.gov/news-events/news/fact-sheet-ferc-takes-action-supercharge-americas-grid-efficiency-reliability-and.

[7] Order Instituting Proceeding Under Section 206 of the Federal Power Act, June 18, 2026, FERC Docket No. EL26-71-000, *available at*: https://www.ferc.gov/media/e-10-el26-71-000.

[8] *See* Interconnection of Large Loads to the Interstate Transmission System, Advance Notice of Proposed Rulemaking, FERC Docket No. RM26-4-000 (Oct. 23, 2025).

[9] Order, at 27.

without an application process, study procedures, or ongoing operational requirements tailored to the provision of transmission service to large loads.

The Order states that FERC finds that "CAISO's existing Open Access Transmission Tariff and/or the Transmission Owner Tariffs of the Participating Transmission Owners appear to be unjust, unreasonable, or unduly discriminatory or preferential."[10] In particular, the Order states that the tariffs:

- Do not contain provisions that address with sufficient clarity and consistency how CAISO and/or the Participating Transmission Owners will study the provision of transmission service to Eligible Customers on behalf of large load;[11]
- Do not contain provisions (such as definitions of "large loads", readiness requirements, and *pro forma* provisions) to deter speculative or duplicative requests for transmission service by large load customers;
- Do not adequately mitigate the risk of cost-shifting among transmission customers; including the cost of network upgrades and cost recovery agreements;[12]
- Do not contain provisions addressing with sufficient clarity and consistency the rates, terms, and conditions of service that apply to interconnection customers serving co-located load, including:
- Ensuring that large load customers pay for wholesale transmission services they receive, as required by cost-causation principles;[13] and

[10] Order, at 5.

[11] Order, at 32-35.

[12] Order, at 43-49.

[13] Order, at 57.

- Lack of processes to allow customers to align their transmission system use to reduce inefficient and costly transmission buildout.
- Do not contain provisions for allowing an interconnection customer to seek the generator interconnection service(s) that reflect the operational dynamics of serving either an electrically proximate large load or a co-located load, which has a high peak load (50 Mega-watts or greater),[14] which may result in interconnection delays, unnecessary network upgrades, or otherwise inefficient expansion of the transmission system.

The Order directs CAISO to, within 60 days:[15]

1. [S]how cause as to why their tariffs remain just and reasonable and not unduly discriminatory or preferential without provisions addressing:
    a. the application process, study procedures, and ongoing operational requirements that apply to Eligible Customers seeking transmission service on behalf of large loads;
    b. additional transparency concerning the network upgrade costs to provide transmission service to Eligible Customers on behalf of large loads; and a pro forma cost recovery agreement between CAISO, the relevant transmission owner, and Eligible Customer taking transmission service on behalf of the large load to mitigate the risk of cost shifting among transmission customers, and a mechanism to ensure such payments are appropriately credited toward transmission owners' transmission revenue requirements consistent with the Commission's cost-of-service regulations;
    c. the rates, terms, and conditions of service that apply to co-location arrangements;

[14] Order, at 68.

[15] Order, at 5-7.

d. transmission services that reflect Eligible Customers taking transmission service on behalf of co-located loads, load with behind the meter generation, and flexible large loads that are willing and able to limit their use of the transmission system under certain conditions; and

e. the rates, terms, and conditions of service applicable to interconnection customers serving electrically proximate large load or co-located load; or

2. Explain what changes to their tariffs would remedy the identified concerns if the Commission were to determine that the tariffs have in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish a replacement tariff.

FERC also directed that CAISO submit a report within 30 days regarding how CAISO intends to ensure that adequate generation will be available to serve existing and new large loads.[16]

The Order also highlights that it has jurisdiction over "ensuring that transmission provider and/or transmission owner tariffs include sufficiently clear and consistent provisions governing how transmission service to Eligible Customers on behalf of large loads interconnecting to the transmission system will be studied, including whether new or upgraded transmission facilities are necessary to provide the requested transmission service. [FERC] has jurisdiction over the study process for transmission service to both Eligible Customers on behalf of large loads and unbundled retail transmission service to end-use large load customers where, pursuant to state law or a public utility's voluntary offer

[16] The CAISO has filed its informational report on July 20, 2026, in docket EL26-71-000.

of such service, the large load is an Eligible Customer under the transmission provider and/or transmission owner tariffs."[17]

FERC notes that any tariff revisions taken in response to the Order are meant to be prospective reforms and asks respondents to provide information on reasonable implementation periods that cause minimal disruption to existing arrangements.

3. Re-Opening of Record to Receive Comments on the Order

In order to ensure a fully developed record in this proceeding, this ruling invites comments from the parties on the Order. The Order presents topics that may interact with the issues scoped in this proceeding. Parties may submit comments highlighting any potential topics that should be considered as the instant proceeding is resolved, related only to the Order and how it relates to PG&E's application for approval of Electric Rule No. 30 for transmission-level retail electric service. Comments shall only discuss topics delineated in this proceeding's Assigned Commissioner's Scoping Memo and Ruling and subsequent rulings on scope. Opening comments shall be due by August 25, 2026 and shall be limited to a length of ten pages, and reply comments shall be due September 4, 2026, and shall be limited to a length of five pages. Following submittal of reply comments, the record will be submitted.

EVENT	DATE
Limited Opening Comments Due on FERC Order to CAISO	August 25, 2026
Reply Comments Due	September 4, 2026

[17] Order, at 29.

IT IS RULED that:

1. Parties are directed to consider the attached FERC Order and may comment on it as directed in Section 3.
2. The proceeding schedule presented in Section 3 is adopted.
3. This order is effective today.

Dated August 7, 2026, at San Francisco, California.

/s/ GARRETT TOY
Garrett Toy
Administrative Law Judge