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R2507013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Improve the California Climate
Credit.

Rulemaking 25-07-013

**ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING DIRECTION FOR
PARTY PROPOSALS**

The June 29, 2026 assigned Commissioner's ruling described a process for party proposals in this proceeding. At the August 11, 2026 workshop, parties had the opportunity to provide input on the requirements that would apply to proposals, data needs, and other issues.

This ruling provides direction for party proposals for changes to the California Climate Credit. It also provides guidance to parties as they seek and provide input on proposals under development.

1. Required Proposal Elements

Proposals filed by parties for changes to the Climate Credit shall provide the following required information. Proposals (not including attachments) shall not exceed 20 pages.

1. Details of the proposed change

- a. A description of how the proposal will change Climate Credit distribution timing, number of distributions, methodology for calculating credit(s), and/or credit eligibility. Specify whether and how the proposed changes vary by utility
- b. A description of how the proposal ensures that bundled and unbundled customers are treated equally and

otherwise addresses implementation considerations for customers whose procurement is not provided by the utility.

2. Priorities of the proposal

- a. Specify how the proposal addresses each of the four priorities in the June 29, 2026 assigned Commissioner's guidance ruling
- b. Address whether the proposal satisfies additional priorities or principles; specifically address why it is necessary and incremental to the status quo and assigned Commissioner's concepts
- c. What values or customer groups does the proposal seek to prioritize?
- d. Describe how the proposal addresses equity, equality, and/or environmental and social justice issues; whether it supports the goals and/or objectives of the Commission's Environmental and Social Justice Action Plan 2.0

3. Implementation considerations

- a. As much detail as possible about known implementation time, cost, and complexity, including the extent to which they will be ongoing versus initial costs
- b. Specifically address whether the proposal is expected to be implementable by 2028, given the time constraints posed by the utilities' forecasting and approval processes as well as timing of credit distributions. If not, specify 1) why the proposal is still beneficial to customers and 2) whether modifications could make it implementable by 2028.
- c. Areas of implementation uncertainty
- d. A description of any data gathering and collaboration with utilities during development of the proposal.

4. Outreach considerations

- a. A description of how the proposed Climate Credit should be explained to customers, and what changes from the communications status quo should be made
- b. Whether customer behavior changes are likely and/or necessary as a result of the proposed changes, and how outreach should address these considerations

5. Data attachments

- a. If impact estimates are provided, service of the proposal must attach the source data and/or workbooks with source citations, in .XLSX or .CSV format, used in the formulation of estimates

2. Optional Proposal Elements

Proposals may, but are not required to, provide the following elements.

2.1. Customer Impact Estimates

If a proposal does not address this element, utilities may be subsequently directed to provide these estimates.

If this element is provided, it must clearly demonstrate the change as compared to the status quo, for Climate Credit amounts as well as bill impacts.

The proposal credit shall reflect the same amount of allocated allowance proceeds as found in the utility's Energy Resource Recovery Account (ERRA)/ Energy Cost Adjustment Clause (ECAC)/ Advice Letter (AL) "Total Revenue Distributed for the Climate Credit (\$)" forecast for 2026. In the case of a volumetric credit proposal, use corresponding forecasted ERRA/ECAC/AL sales.

For this data submission, bill impacts shall use 2025 recorded usage data to the extent available. Estimates shall include source references for all data.

1. **Estimated credit amounts.** Provide estimated Climate Credits for typical California Alternate Rates for Energy (CARE) and non-CARE customers across all climate zones

for at least one large investor-owned utility, or for the specific utility subject to the proposal

2. **Estimated bill impacts.** Proposals should clearly present the change in total bills of the proposal in both dollars and percentages for the same customers specified above for the months the credit is distributed.

2.2. Master Metered Customer Changes

Proposals may address Climate Credit changes specific to master metered customers.

3. Additional Guidance

As provided in the schedule, the deadline to meet and confer is August 28, 2026, and proposals must be filed on September 14, 2026. Utilities implement the delivery of Climate Credits and therefore possess much of the technical data and implementation insight relevant to any potential changes to the credit; non-utility parties will likely need to obtain information from the utilities while developing proposals. At the August 11 workshop, the slides for which are attached to this ruling, participants discussed additional data and collaboration needs.

At this time, no additional data filings are required. The option of parties engaging in collaborative “office hours” with utility staff, to streamline the exchange of information and best inform party proposals, is strongly encouraged. Parties should seek additional specific data via data requests. Utilities have ten business days to respond to data requests, and utilities should provide service of (non-confidential) responses to the full service list so that all parties have access to the data. Confidential data responses should be shared with the Energy Division. The filing of additional data may be required at a later time.

IT IS RULED that:

1. Party proposals filed by September 14, 2026 shall not exceed 20 pages in length, not including data/workbook attachments.
2. Proposals filed by parties shall provide the information specified in Section 1 of this Ruling.
3. Parties shall consider the guidance in Section 2 of this Ruling while engaging in the meet and confer and data request process.
4. Utilities shall forward confidential data responses provided to parties to Energy Division staff, at adam.banasiak@cpuc.ca.gov.

Dated August 17, 2026, at San Francisco, California.

/s/ MARIA SOTERO
Maria Sotero
Administrative Law Judge