BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking Regarding Building Decarbonization.	R. 19-01-011 (Filed January 31, 2019)

REPLY COMMENTS OF THE CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE ON ASSIGNED COMMISSIONER'S AMENDED PHASE 3B SCOPING MEMO AND RULING

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On Behalf of the California Environmental Justice Alliance

Date: August 21, 2026

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Pursuant to the July 23, 2026, Assigned Commissioner's Amended Phase 3B Scoping Memo and Ruling ("Scoping Memo"), the California Environmental Justice Alliance ("CEJA") respectfully submits these reply comments.

I. INTRODUCTION

CEJA does not have members that organize in Tribal communities or on federally recognized Tribal lands. Ordinarily, CEJA does not weigh in on matters specifically concerning Tribal lands about which Tribes and their members are sovereign and expert. These reply comments focus on matters raised in the amended scope of Phase 3B that may impact environmental justice communities CEJA does represent.

Specifically, CEJA recommends the Commission:

- Strongly rebuff the Sempra Utilities' recommendation to reevaluate exemptions unrelated to the amended Phase 3B scope and already ruled upon in Decision (D.) 23-12-037;
- Partner with Tribes[1] to define ambiguous terms (discussed below) raised in the June 9, 2026, Letter from the Morongo Band of Mission Indians ("Morongo"); and
- If Morongo's requested relief is granted, clearly identify the specific unique conditions, and disproportionate burden that are "not comparable to ordinary off-Reservation development" and merit a narrow exemption from the electric line extension subsidy elimination.

[1] Either via additional process in Phase 4 of this proceeding, or group consultations as the Commission has already initiated for Phase 3B.

II. DISCUSSION

The opening comments of San Diego Gas & Electric Company and Southern California Gas Company ("Sempra Utilities") are a bold-faced attempt to roll-back critical, health-protective building decarbonization policy and line their shareholder's pockets.[2] The Commission should rebuff in the strongest possible terms this gas industry ploy to continue state subsidies for gas-connected development. The Sempra Utilities' recommendations are outside of the amended Phase 3B scope, contrary to clear findings in this proceeding, and would not bring the benefits claimed.

The Scoping Memo reopened Phase 3B narrowly to consider "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."[3]

Instead of focusing on the scoped issues, the Sempra Utilities spend several pages urging the Commission to retread settled matters: "the Commission should evaluate whether exemptions should also be based on demonstrated affordability and disproportionality concerns for… low-income customers and disadvantaged communities."[4] The Sempra Utilities misleadingly claim such exemptions would benefit low-income households and falsely pose the question as a live issue:

> For this reason, *eliminating subsidies for electric line extensions for low-income mixed-fuel residential projects could increase affordability risks* rather than

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[2] *See, e.g.*, R.19-01-011, Opening Comments of San Diego Gas & Electric Company (U 902-E) and Southern California Gas Company (U 904-G) on Assigned Commissioner's Amended Phase 3B Scoping Memo and Ruling, at 4 (Aug. 14, 2026) ("At a time when California faces a significant shortage of affordable housing, removing funding that supports project feasibility could further constrain housing production.") ("Sempra Utilities Opening Comments"). *But see* D.23-12-037, Decision Eliminating Electric Line Extension Subsidies for Mixed-Fuel New Construction and Setting Reporting Requirements, Finding of Fact 13 at 40 (Dec. 14, 2023), ("Line-extension allowances and services of new home builders are typically not utilized by low-income customers.").
[3] R.19-01-011, Assigned Commissioner's Amended Phase 3B Scoping Memo and Ruling, at 1 (Jul. 23, 2026).
[4] Sempra Utilities Opening Comments at 3-4.

reduce them, particularly for households already vulnerable to rising housing and utility costs.[5]

The Commission has already rejected what the Sempra Utilities now seek to resurrect. "Existing financial public funding sources support commercial and affordable housing and low-income customers, eliminating the need of any special carve-outs."[6] The Commission further stated in D.23-12-037 that "[adopting] the Staff Proposal will not threaten affordable housing development or low-income customers."[7]

Having already raised these rejected and refuted claims in Phase 3B, the Sempra Utilities have no excuse for raising them again now when they are so clearly inapposite to the inquiry at hand. Consequently, the Commission should strongly reject the expanded exemption recommendation. Should the Commission grant Morongo's requested narrow exemption, it should work closely with Tribes to make clear the exceptional and specific reasons such an exemption is warranted for development on Tribal lands.

That the Commission firmly closed the door to the exemptions the Sempra Utilities so inappropriately raise, does not preclude the remedy Morongo seeks. The Commission left the door open to just such circumstances as the Morongo letter.[8] However, the Commission should be cautious not to open the door too far. To that end, CEJA supports the Commission's plan to consult with Tribes regarding Morongo's requested exemption.

Tribal consultation and dialogue can ensure the Commission is able to fully understand the impacts of electric line extensions allowance elimination in the context of Tribal land. Specifically, CEJA recommends that the Commission, in consultation with Tribes, identify the specific and unique characteristics and impacts on Tribal land that justify an exemption and define the terms "community-facing functions," "community serving facilities," and "small

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[5] Sempra Utilities Opening Comments at 5 (emphasis added).
[6] D.23-12-037, FoF 14 at 40.
[7] D.23-12-037 at 22.
[8] D.23-12-037 at 23; R.19-01-011, Assigned Commissioner's and Assigned Administrative Law Judge's Ruling Seeking Information on Building Decarbonization and Entering Pilot Programs Draft Reports into the Record, Appendix A at 5 (Question 9), (Mar. 20, 2026).

Tribal Member-owned business" that are at the core of Morongo's requested exemption.[9] Carefully building a record to support a grant of exemption will ensure that Morong's need for relief can be seriously considered and ruled upon without upsetting settled precedent, as the Morongo letter requests.[10]

III. CONCLUSION

CEJA appreciates to opportunity to comment. CEJA urges the Commission to reject the Sempra Utilities' recommendation to reevaluate exemptions unrelated to the amended Phase 3B scope, and partner with Tribes to carefully consider the serious issues raised by Morongo.

Date: August 21, 2026

Respectfully Submitted,

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[9] Morongo, *Re: Rulemaking 19-01-011; Request for Morongo Indian Reservation Exemption from D.23-12-037 Electric Line Extension Subsidy Elimination for Mixed-Fuel New Residential Construction and Essential Community-Serving Facilities*, 1-2 (Jun. 9, 2026) ("Morongo Letter").

[10] Morongo Letter at 1 ("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.").