STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED
10/26/26
03:31 PM
R1909009

October 26, 2026

Agenda ID #24607
Ratesetting

TO PARTIES OF RECORD IN RULEMAKING 19-09-009:

This is the proposed decision of Administrative Law Judge Debbie Chiv. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 3, 2026, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC:cg7
Attachment

Decision **PROPOSED DECISION OF ALJ DEBBIE CHIV** (Mailed 10/26/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies.	Rulemaking 19-09-009

DECISION GRANTING PETITION FOR MODIFICATION OF DECISION 20-06-017 BY CALIFORNIA SOLAR & STORAGE ASSOCIATION, IN PART

Summary

This decision grants the petition for modification of Decision (D.) 20-06-017 filed by California Solar & Storage Association, in part. Specifically, the decision modifies D.20-06-017 to temporarily remove the energy storage sizing cap until January 1, 2030.

This proceeding is closed.

1. Background

The California Public Utilities Commission (Commission) issued Decision (D.) 20-06-017 on June 17, 2020. In D.20-06-017, the Commission adopted Energy Division's proposal to remove the storage sizing limit for large net energy metering (NEM)-paired storage on a temporary basis of three years.[1] The storage sizing rule was first imposed in D.14-05-033, whereby the Commission stated

[1] D.20-06-017 at 41.

that "[f]or Net Energy Metering (NEM)-paired storage systems with storage devices larger than 10 kilowatts alternating current shall have a maximum output power no larger than 150% of the NEM-eligible generator's maximum output capacity."[2] The 150% sizing limitation is a rule that prevents a battery from having a higher power-rating than the solar system it is paired with. The rule limits how quickly the battery can deliver electricity but does not limit how much electricity the battery can store.

In removing the 150% power-rating threshold limit on a storage system on a temporary basis in D.20-06-017, the Commission explained that:

> In order to balance the risk of undue delays against the possibility of adverse long-term consequences, we find that it would be appropriate for the changes to the NEM tariff be in effect for three years while additional information about the impacts of the change can be collected and evaluated.[3]

The Commission therefore adopted Ordering Paragraph (OP) 6 of D.20-06-017 as follows:

> 6. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each submit a Tier 2 Advice Letter within 30 days of the date of issuance of this decision, that propose necessary modifications, in compliance with Section 4.2.3 of this decision, to their Net Energy Metering (NEM) tariffs that temporarily remove the storage sizing limit for large NEM-paired storage for a period of three years while maintaining existing metering requirements. In this Advice Letter submittal, PG&E, SCE, and SDG&E shall reference

[2] D.14-05-033 at OP 4.

[3] D.20-06-017 at 41.

compliance with this decision pursuant to Ordering Paragraph 6.

Prior to the expiration of the three-year pause period imposed in D.20-06-017, the investor-owned utilities (IOUs) jointly submitted a request to the Commission to extend the temporary removal of the storage sizing rule for another two years. The request for an extension was granted on September 5, 2023, and the expiration date was extended to August 16, 2025.[4]

On June 11, 2024, California Solar & Storage Association (CALSSA) filed a petition for modification (petition or PFM) to remove the energy storage sizing cap (2024 PFM). The IOUs submitted a response in support of CALSSA's 2024 PFM, subject to updated treatment for cost responsibility when grid upgrades are triggered by a system with storage that exceeds the previous sizing limit. The Commission's Public Advocates Office (Cal Advocates) opposed the petition and stated that the 2024 PFM did not sufficiently justify its lack of timeliness. On November 28, 2024, the Commission issued D.24-11-004, denying CALSSA's 2024 PFM on the grounds that the petition did not sufficiently justify why CALSSA did not present the petition within one year of D.20-06-017's effective date.[5]

One year later, on June 13, 2025, CALSSA filed the instant PFM to modify D.20-06-017 to remove the energy storage sizing limit (2025 PFM).[6] On July 14, 2025, responses to the 2025 PFM were filed by Cal Advocates, California Energy Storage Alliance (CESA), the Clean Coalition, Green Power Institute (GPI), PG&E, and Tesla, Inc. (Tesla). The Administrative Law Judge granted CALSSA

[4] Letter from Commission Executive Director to PG&E Counsel, issued September 5, 2023.

[5] D.24-11-004 at 85.

[6] CALSSA PFM, filed June 13, 2025 (2025 PFM).

leave to file a reply to responses and on July 23, 2025, CALSSA submitted a reply to the responses.

On July 31, 2025, PG&E requested an extension of time from the Commission to comply with Ordering Paragraph 6 of D.20-06-017. PG&E stated that "[g]iven the short timeframe between CALSSA's filing of its PFM and the August 16, 2025 implementation date, the Commission is left with little time to resolve the PFM."[7] PG&E further stated that:

> While PG&E is taking steps to reinstate the 150% sizing limitation by August 16, 2025, if the Commission resolves the PFM after August 16, either as an approval extending the 150% waiver or as a modification to the terms of the 150% waiver, the result will be that PG&E will reinstate the 150% size limitation and then a short time later have to revoke or modify it. This will be confusing and frustrating for installers and customers and make for challenging conditions to keep them informed of their options, especially given our interconnection application volume of projects would be affected (nearly 2,700 per month). It also involves the expense of having to re-implement and possibly remove (or modify) the option in our interconnection application on-line portal.

PG&E recommended several extension options, including an extension up to 30 days from the approval/rejection of CALSSA's 2025 PFM. CALSSA responded to PG&E's extension request and supported an extension of up to 30 business days from the approval/rejection of CALSSA's 2025 PFM.

[7] PG&E Extension Request Letter to Commission Executive Director, July 31, 2025.

On August 14, 2025, the Executive Director granted PG&E's extension request for up to 30 calendar days from the approval or rejection of CALSSA's 2025 PFM, and applied the extension to the three IOUs.[8]

2. Summary of Petition

In the instant 2025 petition, CALSSA recommends permanently removing the storage sizing cap and adopting the Joint IOUs' prior recommendation on cost responsibility treatment when grid upgrades are triggered with storage that exceeds the 150% sizing limit.[9]

CALSSA asserts that a storage sizing cap is unnecessary, as it obstructs customers seeking resiliency solutions and limits the ability to provide grid value. CALSSA notes that the storage sizing limit applies only to the power rating (in kilowatts (kW)), not to the amount of stored energy (in kilowatt-hours (kWh)), and caps the rate at which a battery can be charged and discharged. CALSSA states that many storage systems are packaged units with an inverter and a battery, where the inverter size determines the power (rate of charge/discharge) and the battery size determines energy capacity (the amount of energy that can be stored). CALSSA states that if a customer wants more stored energy for longer grid outages, it comes with added power even if the customer does not need faster charging.

CALSSA contends that since the storage size limit was imposed in D.14-05-033, two scenarios have arisen involving higher storage power. One scenario is a customer augmenting the NEM or net billing tariff (NBT) generator with stored power to handle surge power, which CALSSA asserts is especially important

[8] Letter from Commission Executive Director to PG&E Counsel, issued August 14, 2025.

[9] 2025 PFM at 6.

when providing whole home backup. A second scenario is a customer seeking longer duration energy storage with modular units. CALSSA states that some customers choose larger battery capacity because they have installed heat pumps for water heating, space heating, and cooling. CALSSA notes that larger batteries can facilitate electrification with resiliency, as customers often install solar and storage, and change appliances to electric, as part of the same decision.

CALSSA states that to avoid stressing the grid and to allow operation during a grid outage, customers should be able to install storage systems that exceed the 150% power-rating threshold even if they do not require that much renewable generation. CALSSA states that prohibiting larger battery power can hinder electrification and that customers should be allowed to upsize an inverter beyond what is needed for time-of-use (TOU) load shifting. CALSSA argues that customers that have the capacity to address their own loads also reduce the need for grid expansion to cover those loads.

In support of its petition, CALSSA states that under the NBT, 24% of paired solar and storage systems exceeded the 150% threshold (a total of 20,206 systems). From February-April 2025 (the most recent three months of available data), 39% of installed NBT-paired storage systems exceeded the 150% threshold. Of those, CALSSA argues that very few exceed the 150% limit by a large amount and most commonly, these customers use simple storage units that have a higher power output or multiple storage units that have an inverter with each battery.

CALSSA cites the Tesla Powerwall 3 as an example of a popular system with a nameplate discharge rating of 11.5 kW, which is often significantly higher than the accompanying solar capacity. CALSSA states that this system could not be used under NBT with many solar installations if the storage power rating cap goes back into effect, as the average NBT residential solar system in California is

6.6 kW and the Tesla Powerwall 3 is 173% of the size of the average system. CALSSA states that customer-sited energy storage systems have grown and should be encouraged to grow further to enable load shifting and reduce utility expenses to serve peak load. In 2024, CALSSA states that 698 MW of customer-sited energy storage was interconnected in California, doubling the total customer storage installed in the state.

Regarding cost responsibility, CALSSA agrees that customers installing storage that is much larger than the solar size and capable of grid charging should bear cost responsibility for grid upgrades triggered by the interconnection. CALSSA recommends a change that customers with systems smaller than 1 MW should have cost responsibility for grid upgrades if their energy storage system charges from the grid and can discharge at more than 150% of the power capacity of the solar system.

2.1. Timing of Petition

CALSSA states that in adopting the three-year sizing limit pause, the Commission stated that it would be appropriate for changes to the NEM2 tariff to be in effect for three years while additional information about the change impacts could be evaluated.[10] However, within that three-year period, the NEM2 tariff was changed in December 2022. CALSSA states that since its deadline to submit single-meter NEM2 applications was April 14, 2023, significant NBT volume did not appear until the second half of 2023. CALSSA claims that since the transition to NBT, the customer solar market has been slow and that in the second year of NBT (May 2024-April 2025), residential solar installations under NBT were 63% of the 2021 pace.

[10] 2025 PFM at 3.

CALSSA states that two years of experience is sufficient to have a clear picture of how customers are seeking to meet needs under the current policy. CALSSA states that it could not have filed a PFM within one year of the D.20-06-017 with enough data for the Commission to make an informed decision about customer needs under the NBT in place at the end of the pause period. If the petition was filed within one year of the decision, it would have been based on customer experience with a temporary tariff and would not have given the Commission sufficient information to understand the practical implications of the storage sizing limit beyond a very limited timeframe.

CALSSA also notes that the Commission expressly requested a PFM during the instant time period. CALSSA points out that in the September 5, 2023, letter from Executive Director Peterson approving a two-year extension of the pause of the storage sizing limit, the letter stated that the extension was granted "with the understanding that the Joint IOUs will timely pursue a Petition to Modify D.19-01-030 or other processes that will seek a permanent change to D.19-01-030."[11] CALSSA notes that the IOUs did not file a PFM.

3. Summary of Party Responses

Parties that support the 2025 PFM are CESA, Clean Coalition, GPI, Tesla, and Cal Advocates (with modifications).[12] These parties generally support removing the 150% cap to enhance resiliency by installing storage with sufficient discharge capacity, to support electrification goals, and to give customers the ability to choose products that offer higher capacity output. These parties also

[11] Letter from Commission Executive Director to PG&E Counsel, issued September 5, 2023.

[12] CESA Response to Petition at 2, Clean Coalition Response to Petition at 3, GPI Response to Petition at 6, Tesla Response to Petition at 2, Cal Advocates Response to Petition at 4.

support the PFM's proposal to implement cost responsibility provisions for customers that exceed the 150% threshold.

CESA asserts that the 150% cap is outdated and counterproductive, as compared to its original intent to limit storage to a size proportional to the associated solar generation. Clean Coalition states that batteries with a high ramp rate are needed to mitigate the system peak or meet emergency grid needs. GPI states that the cap undermines Senate Bill 1339's commercialization mandate. Tesla states that larger systems are driven by customers' needs for whole-home backup power and that the market has evolved since the sizing limit was first introduced, with more companies (including Tesla) offering systems with higher power ratings.

Cal Advocates does not oppose the PFM but recommends modifications. Cal Advocates agrees that customers that benefit from storage systems exceeding the 150% power-rating threshold should bear the cost burden for these projects and infrastructure upgrades as to avoid shifting costs to ratepayers that do not benefit from the upgrades. Cal Advocates notes that the 2025 PFM's proposed language suggests that cost responsibility only applies to grid upgrades that charge from the grid. Cal Advocates recommends the language require revising the electric rules/tariffs so that customers bear cost responsibility for upgrades triggered by the installation of storage systems that: (1) charge and/or discharge from the grid; (2) are more than 150% of the power of the paired solar system, and (3) where the paired solar system is less than 1 MW.

PG&E opposes the 2025 PFM.[13] While PG&E agrees that systems that exceed the 150% power-rating can better support resilience during an outage, it

[13] PG&E Response to Petition at 2.

argues that the surge capability is more limited when there is an inverter involved. PG&E states that it is unclear whether storage systems exceeding the 150% power-rating threshold may lead to adverse consequences, such as distribution upgrades at ratepayers' expense, and PG&E states that there is insufficient data to confirm or refute this concern. PG&E contends that several issues require further discussion, such as distribution upgrade costs versus benefits, how storage may be used to generate additional export credits (potentially exacerbating the cost shift), and whether fees in place in Electric Rule 21 cover the cost of interconnection processes for paired storage over the 150% cap.

PG&E recommends that the storage sizing cap be revisited after further analysis and suggests revising the sizing cap in the next Rule 21 or similar proceeding. PG&E states that in fairness to customers, it would be prudent to extend the waiver in the interim. PG&E asserts that reinstating the storage cap could result in unnecessary reimplementation costs, and customer/industry confusion after the sizing cap was waived for so many years. PG&E adds that once the waiver expires, applications for oversized storage would be processed according to the multiple tariff provisions in Special Condition 4 of the NEM/NBT tariffs.

In CALSSA's reply, CALSSA agrees with Cal Advocates' proposed modification to cost responsibility.[14] CALSSA disagrees with PG&E that additional research is needed, arguing that consideration of the impacts of distribution upgrades at ratepayers' expense is not needed because CALSSA accepts Cal Advocates' modification that customers exceeding the 150%

[14] CALSSA Reply to Responses at 1.

threshold should pay for grid upgrades. CALSSA disagrees with PG&E's claim that adding storage without an inverter would better handle surge load over storage with an inverter, as adding storage without an inverter does not increase kW, but only increases kWh, while adding storage with an inverter would increase kW. CALSSA states that adding inverters would increase the risk of triggering grid upgrades on congested distribution circuits, but the impact is limited to those circuits and many customers seeking resiliency are not on congested circuits. CALSSA adds that Power Control Systems allow customers to limit export but use full power of the system for onsite load, which does not risk grid upgrades.

CALSSA further states that PG&E NBT Special Condition 7.d ensures that customers that add storage cannot export more kWh for credit by requiring large paired storage to comply with one of three options. Under Option 2, CALSSA contends that increasing installed storage would not increase the export credit limit since the limit is tied to solar. Under Option 3, since the solar system determines the amount of kWh being exported for credit, adding storage beyond 150% does not increase export kWh.

CALSSA counters PG&E's argument that if the cap were reinstated, customers would be able to deploy systems that exceed 150% via multi-tariff provisions. CALSSA argues that multi-tariff provisions add significant costs by significantly raising interconnection fee costs. Using multiple tariffs would require customers to choose to divide storage into two systems (one that is exactly 150% of the solar size and the second that is non-export), which increases complexity.

4. Standard of Review

Public Utilities (Pub. Util.) Code Section 1708 gives the Commission authority to "rescind, alter, or amend any order or decision made by it." Modifying an existing decision, however, is an extraordinary remedy that must be carefully applied to keep with the principles of res judicata since "Section 1708 represents a departure from the standard that settled expectations should be allowed to stand undisturbed."[15]

Rule 16.4 of the Commission's Rules of Practice and Procedure (Rules) governs the rules for filing a petition for modification. Under Rule 16.4(b), "[a]ny factual allegations must be supported with specific citations to the record in the proceeding or to matters that may be officially noticed. Allegations of new or changed facts must be supported by an appropriate declaration or affidavit."[16] Under Rule 16.4(d), a petition for modification must be filed and served within one year of the effective date of the decision proposed to be modified. If more than one year has elapsed, the petition must explain why the petition could not have been presented within one year of the effective date of the decision.

5. Discussion

5.1. Timing of the Petition

We first consider whether the petition has met the requirements of Rule 16.4(d) with respect to the timing of the petition. The petition was not filed within one year of D.20-06-017, which was issued by the Commission on June 17, 2020. As such, we consider whether the petition has adequately justified why it could not have been presented within one year of the decision.

[15] 1980 Cal. PUC LEXIS 785, 24; *see also* 2015 Cal. PUC LEXIS 278, 7.

[16] Rule 16.4(b).

CALSSA asserts that in adopting the sizing cap pause, the Commission stated that it would be appropriate for NEM2 tariff changes to be in effect for three years while additional information was evaluated. However, before the three-year period expired, the NEM2 tariff was changed in December 2022. CALSSA also states that its deadline to submit single-meter NEM2 applications was April 14, 2023 and significant NBT volume did not appear until the latter half of 2023.

CALSSA states that it could not have filed the 2025 PFM within one year of D.20-06-017 with sufficient data for the Commission to understand the implications of the storage size limit and that the PFM would have been based on customer experience with a temporary tariff. CALSSA argues that two years of experience is sufficient to have a clear understanding of how customers are meeting needs under the current policy.

CALSSA also notes that the Commission expressly requested a PFM during the three-year time period, as the September 5, 2023, letter from the Executive Director approving a two-year extension of the sizing limit pause was granted "with the understanding that the Joint IOUs will timely pursue a Petition to Modify D.19-01-030 or other processes that will seek a permanent change to D.19-01-030."[17] However, the IOUs did not file a PFM.

The Commission finds that the 2025 PFM has adequately justified why it could not have presented the PFM within one year of D.20-06-017 and the petition meets the timeliness requirements under Rule 16.4(d).

[17] 2025 PFM at 6.

5.2. Petition Provides Sufficient Basis to Warrant Partial Modification of Decision 20-06-017

We next consider whether the 2025 PFM provides sufficient basis to warrant modification of D.20-06-017.

CALSSA asserts that the storage sizing cap obstructs customers' ability to seek resiliency solutions in part because the sizing limit applies to the power rating (kW), not the amount of stored energy (kWh), and caps the rate that a battery can be charged and discharged. CALSSA states that the sizing limit prevents the installation of storage that primarily functions to augment the NEM generator to use stored power to handle surge loads. Further, CALSSA argues that the sizing limit obstructs customers that seek larger battery capacity for heat pumps for water and space heating and cooling. Multiple parties support the 2025 PFM and the removal of the cap to allow customers to choose products with higher capacity output and to support electrification goals, including CESA, Clean Coalition, GPI, Tesla, and Cal Advocates (with modifications).

The Commission recognizes that a large share of paired storage systems exceed the 150% threshold and that removal of the sizing limit may be an important step to aligning the NEM tariffs and NBT with how storage systems are being deployed under current market conditions. That said, the Commission agrees with PG&E's comments that there is insufficient record to determine whether storage systems that exceed the 150% power-rating threshold may result in adverse consequences and that several issues require further discussion, such as how storage may be used to generate additional export credits and whether Rule 21 fees would cover interconnection process costs for paired storage that exceeds the 150% cap. We agree that additional research and analysis is needed

to determine whether permanent removal of the sizing limit is appropriate and whether additional safeguards or cost-responsibility provisions are warranted.

The Commission is currently undertaking an evaluation of the Net Billing Tariff as part of D.22-12-056 and D.23-11-068, which will provide additional information regarding customer adoption, system configurations, and other impacts of the NBT.[18] The Commission finds it reasonable to extend the current waiver in order to await the results of the NBT evaluation final report before considering whether and/or how to revise the storage sizing limit and related policies, such as cost responsibility for grid upgrades.

OP 6 of D.20-06-017 temporarily removed the storage sizing limit for a period of three years. Subsequent Executive Director letters granted extensions to the removal of the sizing limit, with the most recent extension granted up to 30 days from the Commission's approval or rejection of the 2025 PFM. The Commission finds it reasonable to extend the removal of the storage sizing limit for an additional three-year period until January 1, 2030, to await the results of the NBT evaluation. The Commission encourages stakeholders to engage in the review process for the NBT evaluation research plan and report.[19] Given the adopted objectives of the NBT evaluation,[20] the Commission anticipates that the forthcoming report could serve to inform consideration of a petition for modification to revise the storage sizing limit, should a future petition be filed.

[18] D.22-12-056 at 201 (directing the Commission to conduct an evaluation of the NBT); D.23-11-068 at Section 3.4 (establishing the process for the NBT evaluation).

[19] *See* D.23-11-068 at OP 24.

[20] *See id.* at OP 22.

Accordingly, CALSSA's 2025 petition is granted in part to extend the waiver of the storage sizing limit for a three-year period until January 1, 2030. OP 6 of D.20-06-017 is modified as follows:

> 6. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each submit a Tier 2 Advice Letter within 30 days of the date of issuance of this decision, that propose necessary modifications, in compliance with Section 4.2.3 of this decision, to their Net Energy Metering (NEM) tariffs that temporarily remove the storage sizing limit for large NEM-paired storage while maintaining existing metering requirements. The temporary removal of the storage sizing limit is extended until January 1, 2030. In this Advice Letter submittal, PG&E, SCE, and SDG&E shall reference compliance with this decision pursuant to Ordering Paragraph 6.

Conclusions of Law 22 and 23 of D.20-06-017 are modified as follows:

> 22. It is reasonable to require PG&E, SCE, and SDG&E to modify their NEM tariffs to temporarily remove the storage sizing limit for large NEM-paired storage until January 1, 2030 and maintain existing metering requirements.
>
> 23. It is reasonable to require PG&E, SCE, and SDG&E, within 30 days of the date of issuance of this decision, each to submit a Tier 2 Advice Letters proposing the necessary modifications to their NEM tariffs to make the changes that temporarily remove the storage sizing limit for large NEM-paired storage until January 1, 2030, and maintain existing metering requirements. Such Advice Letters shall be served on current and prior NEM proceeding Service Lists.

Lastly, the Commission directs the IOUs to each file a Tier 1 Advice Letter with the Commission's Energy Division within 30 days of the effective date of this decision to modify their updated tariff language in accordance with this

decision. PG&E, SCE, and SDG&E shall coordinate to ensure that each IOUs' respective tariff language and Advice Letter submittal is uniform to the closest extent possible.

6. Comments on Proposed Decision

The proposed decision of ALJ Debbie Chiv in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

7. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Debbie Chiv is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. On June 17, 2020, the Commission issued Decision 20-06-017.
2. On June 13, 2025, CALSSA filed a petition to modify D.20-06-017 to remove the energy storage sizing limit.
3. Rule 16.4(d) requires that if more than one year has elapsed since the issuance of the decision proposed to be modified, the petition must explain why the petition could not have been presented within one year of the effective date of the decision.
4. There is insufficient record to revise the 150% power-rating threshold at this time.

Conclusions of Law

1. The petition for modification adequately justifies why the petition could not have been presented within one year of the issuance of D.20-06-017.
2. The petition for modification provides sufficient basis to warrant a partial modification of D.20-06-017.

3. The petition should be granted in part.
4. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. California Solar and Storage Association's Petition for Modification of Decision 20-06-012 is granted in part.
2. Ordering Paragraph 6 of Decision 20-06-012 is modified as follows:

> 6. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each submit a Tier 2 Advice Letter within 30 days of the date of issuance of this decision, that propose necessary modifications, in compliance with Section 4.2.3 of this decision, to their Net Energy Metering (NEM) tariffs that temporarily remove the storage sizing limit for large NEM-paired storage while maintaining existing metering requirements. The temporary removal of the storage sizing limit is extended until January 1, 2030. In this Advice Letter submittal, PG&E, SCE, and SDG&E shall reference compliance with this decision pursuant to Ordering Paragraph 6.

3. Conclusions of Law 22 and 23 of D.20-06-017 are modified as follows:

> 22. It is reasonable to require PG&E, SCE, and SDG&E to modify their NEM tariffs to temporarily remove the storage sizing limit for large NEM-paired storage until January 1, 2030 and replace it with cost responsibility for grid upgrades for systems above the same size threshold that charge and/or discharge from the grid, while maintaining existing metering requirements.
>
> 23. It is reasonable to require PG&E, SCE, and SDG&E, within 30 days of the date of issuance of this decision, each to submit a Tier 2 Advice Letter proposing the necessary modifications to their NEM tariffs to make the changes that temporarily remove the storage sizing limit for large NEM-paired storage until January 1, 2030, replace it with

cost responsibility for grid upgrades for systems above the same size threshold that charge and/or discharge from the grid, while maintaining existing metering requirements. Such Advice Letters shall be served on current and prior NEM proceeding Service Lists.

4. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall each file with the Commission's Energy Division a Tier 1 Advice Letter within 30 days of the effective date of this decision to modify their updated tariff language as provided in Ordering Paragraph 2. PG&E, SCE, and SDG&E shall coordinate to ensure that each investor-owned utilities' respective tariff language and Advice Letter submittal is uniform to the closest extent possible.

5. Rulemaking 19-09-009 is closed.

This order is effective today.

Dated December ___, 2026, at San Francisco, California.