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TO PARTIES OF RECORD IN RULEMAKING 19-01-011:

This is the Proposed Decision of Commissioner Darcie L. Houck. 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.

/s/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC: jds

PROPOSED DECISION OF COMMISSIONER HOUCK (Mailed 10/30/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Building Decarbonization.	Rulemaking 19-01-011

DECISION ADDRESSING ELECTRIC LINE EXTENSION SUBSIDIES ON TRIBAL LANDS

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DECISION ADDRESSING LINE EXTENSION SUBSIDIES ON TRIBAL LANDS

Summary

This decision modifies Decision 23-12-037 to address issues related to electric line extension subsidies for mixed-fuel new construction projects located on Tribal lands. This decision establishes an exemption from the elimination of subsidies for electric line extensions in mixed-fuel new construction on Tribal lands where the Tribe certifies that such structures serve residents residing on Tribal lands. This exemption also applies to structures that support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions located on Tribal lands.

Rulemaking 19-01-011 remains open.

1. Background

This decision addresses issues raised regarding electric line extension projects that are under construction or will be built on Tribal lands.[1] This decision applies to all of the large electric investor-owned utilities (IOUs) in California. This decision will first consider whether the elimination of the electric line subsidy for mixed fuel projects creates an undue burden for Tribal governments. Second, the decision discusses whether the lack of an exemption for Tribal lands conflicts with goals of the Commission's Environmental Social Justice (ESJ) Action Plan. Finally, this decision will consider whether to create an exemption for Tribal lands, and if so, what the scope of the exemption is.

[1] The term Indian country is defined in 18 United States Code Section 1151 and Section 40 of the United States Code of Federal Regulations 171.3. Tribal lands are defined in 25 United States Code Section 2201, as authorized in United States Code of Federal Regulations 25 parts 169 and 179 and Section 43 parts 4, 15, 18, and 30.

1.1. Procedural Background

The Commission initiated Rulemaking (R.) 19-01-011 on January 31, 2019, to address directives adopted in Senate Bill (SB) 1477.[2] In November 2021, the assigned Commissioner issued an Amended Scoping Memo and Ruling establishing the scope and schedule for Phase 3 of Rulemaking (R.) 19-01-011.

On July 26, 2023, the Assigned Commissioner issued an Amended Scoping Memo for Phase 3B of this proceeding (2023 Scoping Memo). The 2023 Scoping Memo raised issues related to, "…[m]odifying or eliminating electric line extension subsidies (i.e., allowances, refunds, and discounts) provided under current electric line extension rules for mixed fuel new construction to encourage and advance building decarbonization."[3]

Specifically, the 2023 Scoping Memo considered the following issues for resolution:[4]

1. Whether the Commission should modify or eliminate electric line extension subsidies for mixed-fuel new construction for some or all customer classes (residential and non-residential);
2. Whether applicant builders of mixed-fuel new construction projects should be required to pay actual costs encumbered by the electric IOU to facilitate electric line extension rather than only estimated costs, as well as whether the [large electric] IOUs should be required to report annually on electric line extension expenditures; and
3. Whether applicant builders of mixed-fuel new construction projects should be exempt from any potential elimination of electric line extension subsidies if the building project is

[2] California Statutes of 2028, chapter 378 (Stern).

[3] Assigned Commissioner's Amended Scoping Memo and Ruling issued July 26, 2023.

[4] *Ibid.*

> granted an exemption by the Commission from the elimination of gas line extension subsidies.

The Commission issued Decision (D.) 23-12-037 on December 21, 2023. The decision resolved many issues raised in Phase 3B by eliminating electric line extension subsidies for mixed-fuel new construction project requests submitted on or after July 1, 2023, with a process for the large electric IOUs to exempt projects.[5] D.23-12-037 found:

> If a project is allowed non-residential gas line subsidies per D.22-09-026, it may also be eligible for electric-line extension subsidy. This decision allows applicant builders of non-residential mixed-fuel new construction projects to be exempt from the elimination of electric line extension subsidies if the Commission grants the building project an exemption from the elimination of gas line extension subsidies. Therefore, if the Commission approves the application for exemption under D.22-09-026, the same application is exempt from elimination of electric line subsidies in the mixed-fuel new construction. Phasing out subsidies can have a significant strategic impact on building decarbonization efforts. This decision ensures that we eliminate subsidies in a gradual manner.[6]

On June 9, 2026, the Morongo Band of Mission Indians (Morongo) submitted a letter to the Assigned Commissioner, Darcie L. Houck (Commissioner Houck), seeking an exemption from the electric line subsidy elimination adopted in D.23-12-037, as modified by D.25-06-034.

Morongo requests that the Commission preserve electric line extension allowances, refunds, and discounts for new residential dwellings located within the exterior boundaries of the Morongo Indian Reservation. Morongo's

[5] The exemptions provided are identified in D.23-12-037 Ordering Paragraphs 1-6.

[6] D.23-12-037 at 27, referencing D.22-09-056 at 58.

requested exemption would apply to projects certified by Morongo as serving a Tribal Member, Reservation resident, Tribal housing program, or other Reservation household. Morongo requests this relief to be applied prospectively and pending applications that have not yet been energized. Morongo also requests the Commission consider comparable treatment related to electric line extension allowances for Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on the Reservation. Such relief can be limited to facilities that Morongo certifies as serving Reservation residents or supporting essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.[7]

On July 23, 2026, Commissioner Houck issued an Amended Scoping Memo reopening Phase 3B (Amended Scoping Memo). The Amended Scoping Memo entered the letter received from Morongo into the record of R.19-01-011. The Amended Scoping Memo notes that D.23-12-037 was adopted without the benefit of Tribal consultation.[8]

The Southern California Tribal Chairmen's Association (SCTCA) filed comments on the Amended Scoping Memo and requested party status on August 14, 2026. Party status to SCTCA was granted on August 18, 2026. The Sycuan Band of the Kumeyaay Nation (Sycuan) also filed comments on the Amended Scoping Memo and requested party status to R.19 01-011 on August

[7] Morongo Letter provided as Attachment 2 of the Amended Scoping Memo at 1. Morongo states that the Tribe's request is "narrow, administrable, and consistent with the Commission's building decarbonization objectives."

[8] Phase 3B Amended Scoping Memo at 5.

14, 2026. Party status was granted to the Sycuan Band of the Kumeyaay Nation on September 16, 2026.

On August 14, 2026, the following parties submitted opening comments on the Amended Scoping Memo: The Public Advocates Office at the California Public Utilities Commission (Cal Advocates); PG&E; Small Business Utility Advocates (SBUA); Southern California Edison (SCE); San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas); SCTCA; and Sycuan. On August 21, 2026, the following parties submitted reply comments: the California Environmental Justice Alliance; Cal Advocates; PG&E; SDG&E and SoCalGas (together, Sempra Utilities); SBUA; SCE; and SCTCA.

1.2. Tribal Consultation

Tribal consultations occurred between Commissioner Houck and Morongo on August 24, 2026, and a group Tribal consultation was hosted by Morongo on August 25, 2026. The August 25, 2026, consultation was attended by Morongo, the Cahuilla Band of Indians, the Los Coyotes Band of Cahuilla and Cupeño Indians, the Agua Caliente Band of Cahuilla Indians, the Rincon Band of Luiseño Indians, the Colorado River Indian Tribes, the Santa Rosa Band of Cahuilla Indians, the Pechanga Band of Indians, and the Sycuan Band of the Kumeyaay Nation, as well as Commissioner Houck, members of her staff, Energy Division staff members, and representatives of the Commission's Office of the Tribal Advisor.

On September 25, 2026, Commissioner Houck issued an Assigned Commissioner's Ruling (ACR) providing parties an opportunity to comment on the summaries from the two Tribal consultations described above, as well as the

comments submitted by the Rincon Band of Luiseño Indians on September 10, 2026.[9]

On October 5, 2026, a letter was received from the Jamul Indian Village. On October 6, 2026, the assigned Administrative Law Judge (ALJ) issued a ruling providing parties to R.19-01-011 three days to respond the Jamul Indian Village's letter.

1.3. Submission Date

This matter was submitted on October 6, 2026, after no parties responded to the ALJ ruling admitting the letter from the Jamul Indian Village to the record of this proceeding.

2. Issues Before the Commission

The issues to be resolved in this reopened Phase 3B as set forth in the Amended Scoping Memo are:

1. Should the Commission modify D.23-12-037 to specifically apply an exemption from the elimination of the subsidy for electric line extensions for mixed-fuel new construction for buildings located on Tribal lands?
2. Does the elimination of the electric line subsidy for mixed-fuel projects located on Tribal lands create undue burdens for Tribal governments and Tribal members that are uniquely different from communities outside Tribal lands?
3. Is the lack of an exemption to the elimination of the electric line subsidy for buildings on Tribal lands in D.23-12-037 in conflict with any of the goals of the Commission's ESJ Action Plan?

[9] The comments submitted by the Rincon Band of Luiseño Indians are provided as Attachment 3 of the September 25, 2026, Assigned Commissioner Ruling.

2.1. Party Comments on Amended Scoping Memo

Cal Advocates supports the proposed exemptions to new community buildings on Tribal lands, citing unique development barriers on those lands, and the reliance on propane or natural gas generators for power during electric power shutoffs.[10] Cal Advocates also notes the Commission provides relief for under-resourced, non-Tribal customers through other policies.

CEJA recommends the Commission partners with Tribes to better evaluate terms related to the request raised by Morongo. CEJA also suggests the Commission should provide a narrow exemption from the electric line subsidy elimination to ensure that the conditions reflect the unique conditions identified by the Tribes in this proceeding.[11]

The Sempra Utilities raised concerns that the process to seek customer exemptions is resource-intensive for Tribal customers and the utility workers. The Sempra Utilities recommend that the Commission should avoid requiring separate applications for Tribal land exemptions. The Sempra Utilities suggest utilizing standardized tariff modifications for an exemption specific to Tribal lands.[12] Cal Advocates opposes the Sempra Utilities' claim that the Tribal land-specific exemption would place undue burden to other low-income, small-business, and other customers that may otherwise seek additional support.[13]

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[10] Cal Advocates Opening Comments on the Amended Scoping Memo at 3.

[11] CEJA Reply Comments at 3 states "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 Tribal Member-owned business."

[12] Sempra Utilities' Opening Comments at 9.

[13] Cal Advocates Reply Brief at 1-3.

PG&E raises concern that "there may be jurisdictional challenges with implementing a specific exemption for buildings located on Tribal lands."[14]. PG&E supports the Sempra Utilities and SCE proposal of tariff modifications rather than individual specific exemptions.[15] PG&E encourages the Commission to engage with the separate Tribal governments to develop more individualized exemptions that could be sought using a Tier 1 Advice Letter process, which would put the determination of eligibility requirements for the Tribal lands exemption on industry division staff.[16] PG&E agrees with SCE and Sempra Utilities recommendation of single Advice Letter submission proposing standardized tariff modifications. PG&E also supports the Sempra Utilities concerns of the application systems being resource intensive as current SCG application is still pending.

PG&E recommends the tariff should specify required certification, timing, eligible project types, reporting requirements. PG&E aligns with the Sempra Utilities' and SCE's suggestion that this approach could promote statewide consistency, avoid delays and preserve Commission oversight. PG&E also states this approach will ensure the exemption occurs ministerially rather than making policy or jurisdictional determinations.[17]

SBUA supports a broad exemption for Tribal members and businesses, including those located off reservations. SBUA states that many Tribal members live and operate businesses outside reservations, and that extending exemptions to these activities would not undermine California's climate goals given the

[14] PG&E Opening Comments at 2.

[15] PG&E Reply Comments at 2.

[16] PG&E Opening Comments on the Amended Scoping Memo at 2.

[17] PG&E Reply Comments at 1.

relatively small size of the impacted population. SBUA also recommends clarifying that Tribal trust lands/Indian Country include rancherias and supports eligibility for Tribal entities such as Indian Housing Authorities and Tribal-member-owned small businesses, even when their activities occur outside Indian Country.[18]

SCE argues that a broad exemption on Tribal lands could disrupt California's goals of reducing greenhouse gas emissions, and that any exemption(s) to electric line extension subsidies should be narrowly tailored.[19]

SCTCA notes that Tribal certification through a single, permanent tariff modification is necessary to prevent administrative and costly hurdles for electric line extensions on Tribal lands.[20] SCTCA points to the 2026 Tribal Gap Analysis Report cited by Cal Advocates, which found administrative capacity is the greatest institutional barrier faced by Tribes.[21] SCTCA also states that, under Pub. Util. Code § 853(b), the Commission can authorize standard tariff deviations without inserting utility administrators or State staff as arbiters.[22]

Sycuan urges the Commission to establish a statewide Tribal-lands exemption from the elimination of electric line-extension allowances, refunds, and discounts for qualifying mixed-fuel new construction.[23] Sycuan states any electric line extension subsidy exemption should apply to Tribal-member housing, Tribal housing programs, Tribal governmental and infrastructure

[18] SBUA Reply comments at 4,

[19] SCE Reply Comments at 2, citing Cal Advocates' Opening Comments at 4-5.

[20] SCTCA Reply Comments at 1, citing Sycuan's Opening Comments.

[21] SCTCA Reply Comments at 2, citing Cal Advocates Opening Comments at 1.

[22] SCTCA Reply Comments at 2.

[23] Sycuan Opening Comments at 1.

projects, essential community-serving facilities, and other qualifying Tribal-member-owned businesses.[24] Sycuan also requests that the exemption apply retroactive back to the date the initial elimination was adopted.

3. Undue Burdens for Tribal Governments and Members

On June 9, 2026, Morongo sent a letter to Commissioner Houck seeking a narrow exemption from the electric line subsidy elimination adopted in D.23-12-037, as modified by D.25-06-034. Morongo states that its request is related to mixed-fuel new construction projects located on the Morongo Indian Reservation and for other similarly impacted Tribes in California.[25]

Tribal Consultation on these matters occurred on August 24 and 25, 2026.[26] The central issue discussed was whether the current rules for building decarbonization unfairly increase the cost of bringing electricity to homes and buildings on Tribal lands, particularly when residents want or need to retain gas or propane appliances. Tribal representatives expressed that the existing policy would create disproportionate financial, reliability, and practical burdens for Tribal communities. These include issues of higher construction and housing costs, limited or unreliable access to electricity, limited resources and complex land ownership arrangements, and preserving Tribal sovereignty and cultural practices. Commission representatives acknowledged that Tribal consultation had not occurred during the original process and thus Phase 3B of this proceeding was reopened to reconsider the issue specifically for projects on

[24] Sycuan Opening Comments at 4.

[25] Morongo Letter docketed as Attachement 2 of the Amended Scoping Memo at 1-2.

[26] Attachment 2 to September 25, 2026 Ruling. Compilation of Summarized Notes from Tribal Consultations.

Tribal lands. The conversation largely focused on whether projects on Tribal lands should receive an exemption from the existing policy eliminating subsidies for certain electric line extensions as to mixed fuel new construction.

In its letter, Morongo states that new homes on Tribal lands are often built piecemeal on limited parcels available to Tribal citizens or their family members, rather than as part of a larger plan with coordinated utility infrastructure.[27] Tribal housing programs may also develop homes for Reservation residents under constraints that differ fundamentally from ordinary merchant development. Many parcels suitable for housing are often far from existing electric distribution infrastructure.[28]

The Tribes' distribution systems are frequently less developed than the systems serving other rural communities in California. For many Tribal families, maintaining non-electric end uses is a resilience measure for reliability of energy at home.[29] Many Tribes govern small land bases with aging or nonexistent utility infrastructure and an obligation to fund housing, public safety, health and social services, and cultural programs out of constrained budgets.[30]As noted by Morongo:

> "The federal allotment system created by the General Allotment Act of 1887 divided Tribal lands into allotted parcels and, through subsequent inheritance, caused many parcels to become fractionated among numerous heirs. Fractionation has long constrained the use, consolidation,

[27] Morongo Letter, Attachment 2 of the Amended Scoping Memo at 3.

[28] *Ibid.*

[29] Rincon Band of Luiseño Indian Letter, Attachment 3 of the ACR, at 4 states: "The removal of the electric line extension allowances is not likely to incentivize the development of all-electric construction for tribal homes and buildings where all-electric construction creates significant reliability and cultural concerns."

[30] Jamul Indian Village of California Letter, attached to the October 6, 2026, ALJ ruling, at 1.

> financing, and development of Indian Country. Those conditions remain relevant today."[31]

The Jamul Indian Village states in its October 5, 2026, letter that the removal of the line-extension allowance, "…does not merely raise the cost of a given project; for Tribal governments like ours, it could determine whether housing gets built at all, whether a healthcare clinic or school is completed, or whether funds intended for other essential service[s] must instead be diverted to cover avoidable infrastructure costs."[32]

Executive Order (E.O.) B-10-11 commits the State of California to strengthening government-to-government relationships with California Tribal Nations, and to providing meaningful opportunities for Tribal input into matters that affect them. Additionally, E.O. N-15-19 acknowledges the harms and discrimination against Tribes, and the Tribes' roles in protecting and stewarding the land of California. The Commission adopted its most recent Tribal Consultation Policy and Tribal Land Transfer Policy in D.26-09-072. The Commission's Rules of Practice and Procedure, Rule 1.2 (Rules), and the Commission's Tribal Consultation Policy permit the Commission to take notice of a letter from, or notes related to direct consultation with any Tribal Government.

In comments on the Amended Scoping Memo, and during Tribal Consultations, Tribal representatives asserted that the Commission should recognize the elimination of the electric line subsidy has a unique and greater impact upon tribal communities on tribal lands. Many Tribes are located in rural

[31] Morongo Letter, Attachment 2 of the Amended Scoping Memo at 3, citing a current example of one Morongo Tribal Member facing an electric line extension cost of approximately $80,000 without any subsidies or allowances.

[32] Jamul Indian Village comments filed October 5, 2026, at 1.

areas with disproportionately high rates of power outages, both planned outages during wildfire season and incidental outages caused by high winds and other severe weather or poor performing circuits.[33] During these outages, the electric grid may not be capable of meeting basic needs in rural areas, and some communities may depend on backup and mixed-fuel energy sources for heating and cooking needs.[34]

Tribal Communities asserted a need for alternative energy sources in areas where electricity may not be available during extended periods. During the August 25, 2026, joint Tribal Consultation, Tribal representatives identified concerns about the potential lack of access to generators with propane or other natural gas fueled appliances. These concerns are largely focused on the need to rely on a backup generator (diesel or propane) to ensure the safety of their households or communities.

Tribal members raised concerns that they had not been able to connect electric projects before the Commission's decision to disallow multi-fueled projects, and that the costs for energization have since increased.[35] Tribal Governments stated the Commission adopted state electrification civil regulatory requirements that apply to Tribal lands without consultation or consent of the Tribal Governments and contrary to federal law that preempts the state from enforcing civil regulatory requirements on tribal lands. Application of such rules

[33] Jamul Indian Village of California October 5, 2026, letter regarding comments submitted by the Rincon Band of Luiseño Indians on September 10, 2026.

[34] Rincon Band of Luiseño Indians Comments Re Amended Phase 3B Scoping Memo, September 10, 2026, at 2-4.

[35] Morongo Letter, Attachment 2 of the Amended Scoping Memo at 3, citing a current example of one Morongo Tribal Member facing an electric line extension cost of approximately $80,000 without any subsidies or allowances.

on Tribal lands without seeking prior informed consent from the Tribal government is a disregard of the Tribe's sovereignty contrary to Executive Order N-15-19 and the Commission's Tribal Consultation policy (the policy in place at the time of the initial decision as well as the current Tribal Consultation Policy adopted on September 17, 2026).

Tribes that are parties to this proceeding have noted that the elimination of electric line allowances under D.23-12-037 imposes "an unintended, inequitable economic burden on Tribal governments."[36] These are just some examples of the unique circumstances that Tribes face regarding development, including development of infrastructure on tribal lands. Many Tribes face disproportionate constraints on existing energy infrastructure, including a disproportionate level of electricity outages. For these reasons, we find that the elimination of the electric line subsidy for mixed-fuel projects located on Tribal lands creates undue burdens for Tribal governments and Tribal members that are uniquely different from communities outside Tribal lands.

4. Conflicts with the Commission's ESJ Action Plan

The ESJ Action Plan is intended to serve as a resource for Commission staff, intervenors, stakeholders, and the public to ensure the agency provides equity in its programs and services. The ESJ Action Plan defined ESJ Communities as "as low-income or communities of color that have been underrepresented in the policy setting or decision-making process, are subject to a disproportionate impact from one or more environmental hazards, and likely to experience disparate implementation of environmental regulations and socio-

[36] Morongo Letter at 1; Sycuan Band Reply Comments at 1.

economic investments in their communities."[37] The definition adopted in Commission's ESJ Action Plan notes ESJ communities include all Tribal lands.[38] One of the nine goals of the ESJ Action Plan is to enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the Commission's decision-making process and benefit from Commission programs. Objective 5.4 of the ESJ Action Plan supports the goal of outreach through "[c]onsider[ing] the specific needs of particular populations and work to create targeted engagement opportunities." The failure to consult with Tribes prior to the issuance of D.23-12-037 conflicts with this goal.

The Commission's Tribal Consultation Policy, both the 2018 policy and the recently adopted 2026 modified policy, in part, actualizes the participation and outreach goals and objectives of the ESJ Action Plan. The Tribal Consultation Policy established a list of actions that require Tribal consultation prior to a Commission action.[39] According to the current Tribal Consultation Policy, actions with tribal implications include but are not limited to: "Commission development of policies, regulations, guidelines, processes, programs, legislative proposals, projects, and rulemakings, as well as Commission review of regulated entities' applications, strategic plans, planning documents, funding and grant opportunities, memoranda of understanding, or operational activity."[40]

Here, the Commission did not meet the goals that it set for itself, and its decision resulted in the adoption of a policy that created undue burdens for

[37] April 7, 2022 CPUC Environmental Social Justice (ESJ) Action Plan at 2.

[38] April 7, 2022 CPUC Environmental Social Justice (ESJ) Action Plan at 2 defined Tribal Land within any Indian reservation as defined in 18 United State Code 1151 subsection (a).

[39] April 6, 2018, Tribal Consultation Policy of the California Public Utilities Commission.

[40] September 23, 2026, Tribal Consultation Policy of the California Public Utilities Commission.

Tribal Governments and Tribal members living on tribal lands. California Tribes were not notified of the proceeding and lacked the opportunity to provide testimony or comments on the proposed decision, counter to the intent of the Commission's Tribal Consultation Policy.[41]

We find that the policy changes adopted in D.23-12-037 had, or may have in the future, a significant impact on the ability of Tribal communities to construct housing, ensure reliable energy sources, address economic impacts, and set their own policies on Tribal lands. We also find that the elimination of subsidies for electric line extensions projects on Tribal lands without consultation with Tribal governments conflicts with the goals adopted in the Commission's ESJ Action Plan and the Commission's Tribal Consultation Policy.

5. Scope of the Exemption for Tribal Lands

This decision finds that (a) the elimination of the electric line subsidy for mixed-fuel new construction located on Tribal lands creates undue burdens for Tribal governments and Tribal members that are uniquely different from communities outside Tribal lands, and (b) the lack of consultation with Tribal governments prior to the issuance of D.23-12-037 was in conflict with the Commission's ESJ Action Plan and the Commission's Tribal Consultation Policy. Accordingly, it is reasonable to modify D.23-12-037 to provide an exemption to the elimination of the electric line subsidy for mixed-fuel new construction located on Tribal lands. This section considers the scope of this exemption.

Morongo submitted a letter asking the Commission to preserve electric line extension allowances, refunds, and discounts under SCE's Electric Tariff Rules 15 and 16 for new residential dwellings located within the exterior

[41] In addition, Executive Order B-10-11 and N-15-19 requires the state to provide meaningful opportunities for Tribes to provide input into actions that impact them.

boundaries of the Morongo Indian Reservation. This would apply to any project where Morongo certifies that it serves a Morongo Tribal Member, Reservation resident, Tribal housing program, or other Reservation household. Morongo also requests the Commission consider comparable treatment for "Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on the Reservation."[42]

Cal Advocates recommends restricting the scope of the Tribal Lands Exemption exclusively to "new residential and essential Tribal community-facing buildings."[43] SCTCA urges the Commission to adopt the broader definition requested by the Morongo Band and supported by SBUA, ensuring small Tribal member-owned enterprises are fully covered.[44]

We agree with Morongo and SCTCA that the Commission should create a broader exemption. This decision's findings of undue burdens to Tribal communities apply beyond residential customers.

This decision requires the large investor-owned electric utilities (PG&E, SCE, and SDG&E) to provide for an exemption from the elimination of subsidies for electric line extensions in mixed-fuel new construction on Tribal lands that applies as follows:

(a) Residential dwellings located within all Tribal lands where the Tribe certifies that the project serves a Tribal Member, Reservation resident, Tribal housing program, or other Reservation household certified by the Tribe; and

[42] Amended Scoping Memo at 4, referencing the June 9, 2026, letter from Morongo that is included as Attachment 2 of the Amended Scoping Memo.

[43] Cal Advocates Opening Comments at 3.

[44] SCTCA Reply Comments at 2-5.

(b) Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on tribal lands where the Tribe certifies such structures serve residents residing on tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.

6. Implementing Changes to D.23-12-037

The Sempra Utilities state that any Tribal exemption adopted in this proceeding should be implemented through existing utility tariffs, applied prospectively to pending or unenergized projects, and should not expand duplicative data collection issues already being considered in a separate Commission proceeding.[45] Parties generally agree that any Tribal exemption should be implemented through utility tariff changes, through a one-time advice letter.[46] The tariffs must specify the required certification, timing, eligible project types, and reporting obligations.

This approach promotes consistency related to the Tribal exemption, while preserving Commission oversight of subsidies granted to Tribal applicants. Most importantly, this process will ensure that the large electric IOUs administer the exemption ministerially, rather than making policy or jurisdictional determinations.[47] Morongo also suggests the exemption to the electric line extension subsidy elimination should be applied prospectively.[48]

[45] Sempra Utilities' Reply Comments at 1-2.

[46] Cal Advocates Opening Comments at Section III.

[47] PG&E Reply Comments at 2, referencing Sempra Utilities' Opening Comments at 9.

[48] Morongo Letter, Attachment 2 to the Amended Scoping Memo, at 1.

Treatment of Tribes for certified projects shall return to the same conditions that existed prior to adoption of D.23-12-037. We find it reasonable to direct the large electric IOUs to each issue a Tier 3 Advice Letter modifying tariffs adopted pursuant to D.23-12-037 to provide a standard Tribal exemption to the provisions of the tariff that eliminates the electric line subsidies for mixed fuel new construction. This approach is consistent with General Order 96-B, Rule 9.2.3, which permits service to Tribes that differ from the standard tariff rules. The modified tariffs shall provide electric line extension allowances, refunds, and discounts for new residential dwellings located within the exterior boundaries of tribal lands where the Tribe certifies that the project serves a Tribal Member, Reservation resident, Tribal housing program, or other Reservation household certified by the Tribe. The Tier 3 Advice Letter will also include an exemption that provides for comparable treatment for Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on Tribal lands where the Tribe certifies such structures serve residents residing on Tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.

These provisions will apply prospectively from the date of this decision and to pending applications that have not yet been energized. Any Tribe that constructed a project that was energized after the electric line subsidies for mixed fuel new construction ended and before this decision was adopted may consider filing a complaint with the Commission after first attempting to mediate the issue with the relevant IOU. The Tribe may seek assistance through the Office of the Tribal Advisor, the Public Advocates Office, and/or the Office of the Public Advisors as to the filing of any compliant.

When filing the Tier 3 Advice Letter referenced above, the IOUs shall ensure that all Tribal representatives listed on the list of tribes maintained by the Office of the Tribal Advisor and all attendees at the consultation held at the Morongo Reservation on August 25, 2026, are provided notice and opportunity to comment on the Tier 3 Advice Letter when filed.

The large, regulated electric IOUs shall also file annual reports identifying locations where new mixed fuel new construction have been certified by California Tribes to receive the exemptions authorized through this decision. The Commission Energy Division staff, in coordination with the Office of the Tribal Advisor, shall ensure that all Tribes that received exemptions have the most up to date information on state building decarbonization and energy efficiency programs that provide funding and other resources for these efforts.

7. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(a) requires that all written public comment submitted prior to the submission of the proceeding are part of the administrative record of the proceeding. Rule 1.18(b) requires that relevant written comment submitted to a procedural docket be summarized in the final decision issued in that proceeding.

No public comments were submitted to the Docket Card of R.19-01-011 related to the issues raised in the July 23, 2026, Amended Scoping Memo or the September 25, 2026, ACR as of October 28, 2026.

8. Conclusion

This decision directs the large electric IOUs to file a Tier 3 Advice Letter that provides for a statewide Tribal lands exemption to ensure Tribal members

receive allowances, refunds, and discounts for qualifying electric line extension projects to all electric and mixed-fuel new construction projects on Tribal lands. The electric line extension allowances for certified mixed-fuel projects on Tribal lands will return to the same conditions that existed prior to adoption of D.23-12-037. The Tier 3 Advice Letter will also provide for comparable treatment for Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on Tribal lands where the Tribe certifies such structures serve residents residing on Tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.

This decision affirms all rulings made by Commissioner Darcie L. Houck and the assigned Administrative Law Judges in this proceeding. All motions not ruled on are deemed denied.

9. Comments on Proposed Decision

The proposed decision of Commissioner Darcie L. Houck in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities 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 _____.

10. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner, and Carrie Sisto and Brandon Gerstle are the assigned Administrative Law Judges in this proceeding.

Findings of Fact

1. The elimination of the electric line subsidy for mixed-fuel new construction located on Tribal lands creates undue burdens for Tribal

governments and Tribal members that are uniquely different from communities outside Tribal lands.

2. The Commission did not conduct Tribal consultation with impacted Tribes prior to the adoption of D.23-12-037.

3. Failure to consult with Tribes prior to the issuance of D.23-12-037 was in conflict with the ESJ Action Plan goal of enhancing outreach and public participation opportunities for ESJ communities to meaningfully participate in the Commission's decision-making process and benefit from Commission programs.

4. Failure to consult with Tribes prior to the issuance of D.23-12-037 was in conflict with the Commission's Tribal Consultation Policy.

5. The assigned Commissioner participated in a Tribal consultation on August 24 and August 25, 2026, held at the Morongo Reservation.

6. On August 25, 2026, the assigned Commissioner held a group Tribal consultation to discuss issues raised in the Amended Scoping Memo with Tribal representatives from California Tribes that may be impacted by D.23-12-037. The consultation included representatives from Morongo, the Cahuilla Band of Indians, the Los Coyotes Band of Cahuilla and Cupeño Indians, the Agua Caliente Band of Cahuilla Indians, the Rincon Band of Luiseño Indians, the Colorado River Indian Tribes, the Santa Rosa Band of Cahuilla Indians, the Pechanga Band of Indians, and the Sycuan Band of the Kumeyaay Nation.

Conclusions of Law

1. The Commission should require Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to file Tier 3 Advice Letters amending their electric tariff rules to provide for an

exemption from the elimination of subsidies for electric line extensions in mixed-fuel new construction on Tribal lands that applies to all of the following:

(a) Residential dwellings located within all Tribal lands where the Tribe certifies that the project serves a Tribal Member, Reservation resident, Tribal housing program, or other Reservation household certified by the Tribe; and

(b) Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on tribal lands where the Tribe certifies such structures serve residents residing on tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.

2. The Commission should require Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to notice all Tribal contacts on the list of Tribes maintained by the Commission's Office of the Tribal Advisor and all participants in the consultation hosted by the Morongo Reservation on August 25, 2026, of the Tier 3 Advice Letter referenced in Conclusion of Law 1 above.

3. The Commission should require Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to file an annual report with the Commission summarizing information regarding all new construction on Tribal lands receiving subsidies for electric line extensions in mixed-fuel new construction.

O R D E R

IT IS ORDERED that:

1. No later than 60 days after the adoption of this Decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each submit a Tier 3 Advice Letter modifying tariffs adopted pursuant to D.23-12-037 to provide a standard exemption to the provisions of the tariff rules that eliminate electric line extension allowances, refunds, and discounts for all mixed-fuel new construction on Tribal lands as described below. The submitted tariff rules that are modified to reflect this decision shall apply to:

   (a) Residential dwellings located within all Tribal lands where the Tribe certifies that the project serves a Tribal Member, Reservation resident, Tribal housing program, or other Reservation household certified by the Tribe; and

   (b) Tribally certified essential community-serving facilities and small Tribal Member-owned businesses located on tribal lands where the Tribe certifies such structures serve residents residing on Tribal lands or support essential Tribal governmental, public safety, emergency management, health, elder, education, cultural, housing, water, wastewater, or other community-facing functions.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall notice all Tribal contacts on the list of tribes maintained by the Commission's Office of the Tribal Advisor and all participants in the consultation hosted by the Morongo Reservation on August 25, 2026, of the Tier 3 Advice Letter required in Ordering Paragraph 1 above.

3. The provisions set forth in Ordering Paragraph 1 shall apply to all pending electric line extension applications for mixed-fuel new construction on Tribal lands that have not yet been energized, and electric line extension projects on Tribal lands that are applied for after this decision is adopted.

4. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each serve annual reports to the service list of this proceeding by February 1 of each year, identifying locations where new mixed fuel new construction has been certified by California Tribes to receive the exemptions authorized through this decision. The Commission's Energy Division staff, in coordination with the Office of the Tribal Advisor, and the California Energy Commission, will use this list to provide all Tribes that received exemptions with the most up to date information on state building decarbonization and energy efficiency programs that provide funding and other resources to further state building decarbonization and energy efficiency goals.

5. Rulemaking 19-01-011 remains open.

This order is effective today.

Dated December __, 2026, at Sacramento, California.