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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards.	Rulemaking 22-11-013 (Filed November 17, 2022)

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 M) OPENING COMMENTS ON THE PROPOSED DECISION ADOPTING GUIDING PRINCIPLES FOR THE AVOIDED COST CALCULATOR AND ESTABLISHING A DISTRIBUTIONAL EQUITY ANALYSIS PROCESS

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Pursuant to Rule 14.3(b) of the California Public Utilities Commission's (CPUC or Commission) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) provides the following Subject Index of Recommended Changes in support of its Opening Comments on the proposed *Decision Adopting Guiding Principles for the Avoided Cost Calculator and Establishing a Distributional Equity Analysis Process*:

- PG&E recommends the Commission remove the proposed Distributional Equity Analysis process as described in the Proposed Decision and commence a stakeholder process to develop a Distributional Equity Analysis consistent with the Department of Energy Guide.

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I. INTRODUCTION AND SUMMARY

Pursuant to Rule 14.3(a) of the California Public Utilities Commission's (Commission or CPUC) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) respectfully provides its opening comments on the Proposed Decision Adopting Guiding Principles for the Avoided Cost Calculator and Establishing a Distributional Equity Analysis Process (PD or Proposed Decision). PG&E appreciates the Commission's and parties' efforts to create guiding principles and supports the PD's guiding principles for the Avoided Cost Calculator (ACC). PG&E also supports positioning equity analysis in a layer separate from the ACC and the cost-effectiveness determination process. However, PG&E has substantive and procedural concerns with the Distributional Equity Analysis (DEA) and process as presented in the PD, as it diverges considerably from the DEA concepts discussed in this proceeding, specifically the guide developed by the Department of Energy (DOE), Lawrence Berkeley National Laboratory (LBNL), and Synapse Energy Economics (DOE Guide).[1] Rather than a program-level analysis paired with the cost-effectiveness tests, the PD adopts a distribution planning and reliability framework. That framework draws its data from processes established in the Order Instituting

[1] Joint Reply Brief, filed March 13, 2024, at pp. 42-43; PG&E's Reply Comments on Administrative Law Judge's Ruling, filed May 19, 2025, at p. 2, commenting on the April 10, 2025, workshop; Opening Brief of the Natural Resources Defense Council on Updates to the Avoided Cost Calculator, filed February 21, 2024, at pp. 12-13, citing work by LBNL and Synapse Energy Economics that would become the DOE Guide; Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide (May 2024) (DOE Guide) (available at: https://eta-publications.lbl.gov/sites/default/files/bto-distributed-equity-analysis-guide_may2024.pdf).

Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resource Future (High DER OIR), Rulemaking (R.) 21-06-017, and the Order Instituting Rulemaking to Update Rules for the Safety, Reliability, and Resiliency of Electrical Distribution Systems (Reliability OIR), R.24-05-023, carries its results into the Grid Needs Assessment (GNA) and General Rate Case (GRC), and applies only to the electric investor-owned utilities (IOUs), despite not being scoped in this proceeding or developed with the stakeholders that work on such reliability or distribution planning issues.[2]

PG&E does not believe the ACC proceeding is the right forum to determine the scope and applicability of the distribution system analytical framework explained in the PD. The PD's framework would require Energy Division to combine the circuit level equity data from Resolution E-5480, developed in the High DER OIR, with the reliability data from the Customer Reliability Report, developed in the Reliability OIR, into an Integrated Equity and Reliability Analysis (IERA) report, published beginning in 2028 and updated as new data becomes available, and would require each electric IOU to address the report's findings in its annual GNA and in its next GRC, including how they inform distribution investment, planning strategy, rate design, and cost allocation.[3] The PD presents the framework as a continuation of prior work from other proceedings. It describes the DEA as building on Resolution E-5480 equity metrics and describes reliability as "a natural extension of the equity metrics under development."[4] PG&E does not dispute that these data sources may eventually inform elements of a DEA, but they come from other proceedings built for different purposes and require more refinement before application to DERs. Resolution E-5480 adopted distribution planning equity metrics in the High DER OIR as "evaluation tools and not planning criteria," with further limitations to forecasted planning data rather than operational or post-planning performance.[5] The Customer

[2] PD at pp. 14-20.

[3] PD at pp. 18-20.

[4] PD at pp. 16-17.

[5] Resolution E-5480 at pp. 15, 17-18.

Reliability Report adopted in D.26-08-007 in the Reliability OIR is an outage reporting and oversight tool with its own process for updates; in that proceeding the Commission did not appear to contemplate use of that data in DER cost-effectiveness or as a basis for an integrated DER GRC requirement.[6] Neither source data report directly addresses DER cost-effectiveness, and together they cover only a fraction of what a DEA contemplates. The DOE Guide treats reliability as one illustrative metric among many others such as rates, bills, energy burden, participation, health, and jobs, and measures it only as the change a DER investment affects.[7] Moreover, these reports or data do not alight with the core purpose of the ACC. The ACC values the costs that demand-side resources allow the system to avoid, measured against the supply-side resources coming from the Integrated Resource Plan (IRP) process and the Preferred System Plan. Avoided transmission and distribution (T&D) costs are the ACC component that involves the distribution system. The Commission authorized a dedicated study, conducted by the Pacific Northwest National Laboratory (PNNL) and LBNL, to improve and further develop that methodology.[8] Even with a potentially improved T&D component, however, avoided T&D only addresses what distribution costs a DER can defer, not how the utility's grid performs or where it invests across communities.

As a result of the blending of tools developed in separate proceedings covering different subject matters without a process or evaluation in this proceeding, the proposed framework only tangentially reaches a fraction of the DER cost-effectiveness landscape and is not in line with the DOE Guide. The ACC and cost-effectiveness tests apply to programs run by Regional Energy Networks (RENs), Community Choice Aggregators (CCAs), and gas utilities as well as the electric IOUs, and those administrators participated in this track.[9] The PD's framework addresses

[6] D.26-08-007 at pp. 10, 30-31.

[7] DOE Guide at p. 45, Table 9; p. 105.

[8] The Avoided T&D Study was first directed in D.22-05-002 and funding was authorized for this study in D.24-04-010; PNNL-37998 at pp. 1, 8-9 (available at https://www.pnnl.gov/publications/cpuc-avoided-transmission-and-distribution-cost-study-support-avoided-cost-calculator).

[9] PD at pp. 3-9.

only the electric IOUs in their respective GNAs and GRCs.[10] A REN- or CCA-administered energy efficiency (EE) program would not appear to receive equity review, and neither would gas-side DERs, eliminating any comparative benefits of an equity framework. Such issues indicate that the tools contemplated in the PD are for IOU distribution planning rather than for assessing DER programs. Whether such planning data belong in a DER cost-effectiveness framework, how they should be combined with the avoided T&D work as it develops, how equity review should apply across all program administrators, and whether any of it should carry into the GNA or GRC are all open questions have limited if any development in the record. The Commission has not yet scoped these issues into Track Three, nor have parties that work on distribution planning, reliability, and rate cases, nor have the full range of program administrators yet weighed in. PG&E respectfully suggests the Commission reconsider the DEA aspects of the PD and commence a process for developing a DEA in line with the DOE Guide. As part of this process, reliability inputs could be considered, but the ACC should not be the successor venue to the High DER OIR or the Reliability OIR.

II. DISCUSSION

A. PG&E supports the guiding principles established in the Proposed Decision and the positioning of an equity analysis in a separate analytical layer.

PG&E supports the PD's adoption of accuracy, transparency, and consistency as the guiding principles for the ACC. PG&E also supports the PD's decision not to adopt equity as a guiding principle for the ACC model itself. The PD cites D.24-07-015, which adopted the Societal Cost Test (SCT) as a separate informational test. Consistent with D.24-07-015, the PD keeps the ACC focused on its purpose of calculating demand-side avoided costs and addresses other broader or undefined considerations separately.[11] Such an approach is consistent with keeping the ACC model as transparent and accurate as possible through rooting it in avoided utility costs, while maintaining other considerations and potential goals applied outside the

[10] PD at pp. 23-24.

[11] PD at pp. 12-13.

model itself.[12] As such PG&E supports the adoption of the guiding principles as drafted.

PG&E also supports the PD's directive to address equity through a separate analytical framework than the ACC itself. While PG&E supported the concept of a DEA as an additional layer to be considered alongside cost-effectiveness tests, PG&E seeks to clarify that the DEA proposed was a DEA applied to DER programs alongside the cost-effectiveness tests. PG&E contemplated a DEA that would be developed in a future process that is largely modeled on the DOE Guide.[13] The DOE Guide describes a DEA as a complement to cost-benefit analysis that can show how a program's cost and benefits are distributed across priority populations. A DEA could, in theory, provide more helpful information on the effects of energy efficiency and other DER programs beyond cost-effectiveness tests without distorting the ACC.

B. The PD's Distributional Equity Analysis process is outside the scope of R.22-11-013, is not supported by the record, and is not connected to distributed energy resource cost-effectiveness.

PG&E and parties did not contemplate the framework articulated in the PD. The PD articulates a distribution planning report that informs the GNA and GRC.[14] PG&E's concern is not with the concept of a DEA, but with what the PD puts forth under the DEA name. As drafted, the PD establishes a circuit-level distribution and reliability report that requires the electric IOUs to address the outputs in the GNA and GRC. Resolution E-5480 does not include reliability indices; the PD adds the layer from the DOE Guide and D.26-08-007 without addressing Resolution E-5480's limitations.[15] Such a report combining various workstreams would not evaluate specific DER programs and is not paired with any cost-effectiveness result and would extend beyond the question of what was scoped in Track Three.

Further, because the ACC proceeding has not fully developed a record of stakeholder comment on the proposed distribution analysis, it risks creating a poorly designed ratepayer

[12] PG&E Reply Comments at pp. 2-3.

[13] Joint Opening Brief at p. 50, filed February 21, 2024; Joint Reply Brief at pp. 42-43.

[14] PD at pp. 18-20.

[15] PD at pp. 16-18, Resolution E-5480 at pp. 12-14, 17-18.

funded annual process. First, the GNA and Distribution Upgrade Project Report (DUPR) reports are focused on distribution capacity planning, and so it is unclear how the reliability focused DEA would be incorporated into the GNA and DUPR and whether that is even the right venue rather than the reliability report. Second, the costs to create and implement a new annual process were not considered in this proceeding, and could divert resources away from other tools and analyses. Therefore, the distribution analysis should be removed from the PD, and the Commission should develop a DEA consistent with the DOE Guide.

1. The PD's framework is outside the scope of track three and does not fit within the ACC or cost-effectiveness frameworks.

PG&E understands the Commission's interest in bringing together equity and reliability data, and those data may eventually help inform a future DEA. As proposed, however, the framework does not fit within the scope of Track Three or the proceeding more generally. As articulated in the *Amended Assigned Commissioner's Scoping Memo and Ruling* (Amended Scoping Memo), issued March 4, 2026, R.22-11-013 was opened "to achieve consistency of cost effectiveness assessments, improve data access and use, and consider equipment performance standards for distributed energy resource customer programs."[16] The Amended Scoping Memo created Track Three to consider guiding principles for the ACC and posited how equity should be considered in evaluating DER cost-effectiveness.[17] It further categorized Track Three as quasi-legislative, as the track involved predominately policy-based determinations around guiding principles.[18]

While reliability metrics could inform a DEA, the record in this proceeding does not support any such reliability-focused GRC and GNA requirements. The Joint Utilities explained that a DEA is meant to be supplemental to the ACC and not a mechanism for addressing revenue

[16] Amended Scoping Memo at p. 1.

[17] Amended Scoping Memo at pp. 2-3, PD at pp. 4-5.

[18] Amended Scoping Memo at pp. 3-4.

allocation and rate design.[19] The findings do not identify a reliability disparity associated with DERs, a gap in GRC practice, or a basis for tying DER equity findings to rate design or cost allocation. The PD additionally keeps equity considerations separate from the ACC by treating the SCT as an informational test under D.24-07-015. Yet, the PD makes the IERA results recurring inputs to the GNA and GRC and builds on Resolution E-5480 metrics that Resolution E-5480 describes as screening tools.[20]

The proposed framework and directives are both under- and overinclusive of the scope of Track Three. As further explained in Section II.B.1 below, it is underinclusive because it does not evaluate any DER programs and applies only to the three electric IOUs. It is overinclusive because it requires each IOU to address circuit-level equity and reliability findings in their respective GRCs, including how those findings inform distribution investment, rate design, and cost allocation.[21] The Amended Scoping Memo did not identify these specific issues as within scope and such matters are generally addressed in the ratesetting proceedings that govern distribution investment. The Amended Scoping Memo did contemplate further rulings seeking party feedback on equity considerations if necessary.[22] However, the PD's procedural history reflects only comments on the April 2025 workshop, which did not contemplate such distribution planning issues. As a result, parties have not had an opportunity to address a distribution planning framework that would carry into the GNA and GRC. Adopting such a framework without notice or an opportunity to comment on its methodology, data, and regulatory uses would be inconsistent with a robust stakeholder process and comments on a PD cannot substitute for such a process.[23]

[19] Joint Reply Brief at p. 44.

[20] PD at pp. 12-13; Resolution E-5480 at p. 14.

[21] PD at pp. 20, 24.

[22] Amended Scoping Memo at p. 3.

[23] Commission Rules of Practice and Procedure Rule 7.5 and Rule 14.3.

The parties and appropriate context best oriented to develop a record on integrated reliability and distribution planning are in the proceedings that have scoped those issues. In contrast, the stakeholders in Track Three are primarily focused on DER and cost-effectiveness issues and include other program administrators such as program administrators along with other DER stakeholders.[24] The context, expertise, and record to consider distribution planning, reliability, and cost allocation reside in other proceedings, such as the High DER OIR, the Reliability OIR, and the rate case proceedings. The record up to this point was developed by stakeholders in this proceeding concerned with DER cost-effectiveness; this process was not substantially integrated in developing the data sources behind the IERA framework, and stakeholders may not be well positioned to assess that data, including Public Safety Power Shutoff (PSPS) data, which have not historically been addressed in the ACC and were not scoped into any of the phases. In addition, there are potential differences to resolve that require parties that were involved in their development. For instance, the differing datasets do not appear to define priority populations in the same way: the Customer Reliability Report appears to sort outages across medical baseline, access and functional needs, income, and geography, but does not track California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) enrollment.[25]

Even with the inclusion of relevant parties and appropriate scoping, PG&E does not believe the ACC generally is the correct platform for administration or directing a distribution reporting framework, as it serves a different function than distribution planning and already has a broad scope with important issues to resolve. The ACC calculates the costs that demand-side resources allow the system to avoid, measured against the supply-side resources flowing into the ACC through the IRP. Even the ACC's T&D component addresses a narrower issue than the issues the PD seeks to address. Avoided T&D could theoretically address what distribution

[24] PD at pp. 3-4.

[25] D.26-08-007 at pp. 22-26.

capacity costs a DER could defer by reducing load. Distribution planning and reliability addresses a different issue regarding where utility investments are made to address capacity, infrastructure, hardening, and asset replacement rather than load growth. The framework's inputs, such as System Average Interruption Duration Index (SAIDI) or PSPS history do not address whether DERs avoid certain distribution costs on a given circuit. The avoided T&D component in the ACC remains a work in progress. The Commission deferred updating avoided T&D costs pending a dedicated study for which Energy Division presented a draft research plan in August 2025, and that is still ongoing. Building multiple distribution equity frameworks onto the ACC before the Commission has settled how DERs affect distribution costs risks using assumptions that might change. Distribution planning equity has been addressed in the High DER OIR, where Resolution E-5480 and the GNA and DUPR process reside, and reliability reporting was addressed in R.24-05-023 through D.26-08-007; equity considerations tied to distribution planning and reliability would be better developed in the High DER OIR or a successor proceeding rather than in the ACC, which is fundamentally meant to evaluate supply- versus demand-side resources.

Finally, as briefly explained above, the framework appears not to reach all program administrators, posing a fundamental barrier to the usefulness of this framework to assessing DERs across administrators and programs. RENs, CCAs, and gas utilities administer DER programs in addition to the electric IOUs, and those administrators commented on the ACC principles.[26] One of the major potential functions is to compare equity outcomes across program administrators with differing segments under the same cost effectiveness test, such as the Total Resource Cost (TRC). However, the PD's framework only applies to the electric IOUs.[27] As a consequence, REN- or CCA-administered EE programs would not receive an equity review, and neither would gas-side DERs. PG&E has recommended that the Commission address DEA

[26] PD at pp. 3-9.

[27] PD at pp. 23-24.

together with other cross-cutting cost-effectiveness issues across EE, the Energy Savings Assistance (ESA) program, demand response (DR), and other customer programs with parties from across those portfolios, consistent with the initial scope of this rulemaking.[28] Adding distribution planning that is largely orthogonal from these functions may divert attention from the important issues already scoped into this proceeding.

PG&E supports the Commission's goal of better understanding how DER programs affect different customer populations. A tool designed to complement DER cost-effectiveness, however, should fall within the scoped goals of this proceeding, apply to every program administrator, and follow any future avoided T&D framework. For these reasons, PG&E recommends the Commission not adopt the GRC and GNA requirements in this proceeding. Once the avoided T&D study is complete, the Commission could scope with the appropriate parties whether these data belong in DER cost-effectiveness.

2. The PD's DEA process does not consider elements critical to the DOE Guide.

The PD cites the DOE Guide as the framework for its DEA, which was also the source contemplated by the Joint Utilities and other parties, and describes the standards in the DOE Guide as comparable.[29] However, unlike the framework in the PD, the DOE Guide addresses DER cost-effectiveness specifically and is narrower and more focused by design. The DOE Guide describes a DEA as a tool to assess "the distributional equity impacts of utility resource investments in the context of cost-effectiveness evaluation," with results to be "combined with benefit-cost analysis results to inform decision-making regarding investments".[30] It explains that a DEA "focuses on a much narrower set of questions relating to energy equity impacts associated with new utility distributed energy resource investments".[31] The DOE Guide treats broader

[28] PG&E Reply Comments, filed May 19, 2025, at pp. 3-4.

[29] PD at pp. 13-14.

[30] DOE Guide at p. v.

[31] *Id*.

monitoring of equity as a separate consideration, which it calls "system-wide energy equity assessment"[32] and states that a DEA "is much more focused" than that kind of assessment.[33]

PG&E's and the Joint Utilities' description of a DEA in this proceeding is consistent with the DOE Guide's. The Joint Utilities explained that a DEA could help contextualize the Standard Practice Manual tests by showing how a program's benefits and costs are distributed across customers, and whether any customer class bears a disproportionate burden because of the program. In briefing in R.22-11-013, the Joint Utilities and the Natural Resources Defense Council (NRDC) also cited to DEA work from Synapse and LBNL, then forthcoming that would eventually become the DOE Guide, as a starting point.[34] The PD departs from both the DOE Guide and the DEA contemplated in this proceeding in several respects.

First, the IERA report does not evaluate any DER investment and is not tied to any cost-effectiveness result. Under the DOE Guide, a DEA should apply to a defined investment such as a single DER program, a comparison of programs in a segment, or a portfolio. Specifically, the DOE Guide states that "the DEA application should be consistent with the BCA [benefit-cost analysis] application of the DER being evaluated". [35] A DEA is also conducted on the same timeline as the cost-effectiveness evaluation of a specific investment.[36] The IERA report, in contrast, reviews circuits and the distribution system generally.[37] It appears to have no connection to the TRC or any other cost-effectiveness test, Total System Benefit (TSB), or the SCT, and is published on a recurring schedule beginning in 2028, rather than when an investment or program is reviewed.[38] While the PD describes the report as complementing cost-

[32] *Id*.

[33] DOE Guide at p. 7.

[34] Opening Brief of the Natural Resources Defense Council on Updates to the Avoided Cost Calculator, filed February 21, 2024, at p. 13; Joint Reply Brief at p. 31.

[35] DOE Guide at pp. 22-23.

[36] DOE Guide at p. 96.

[37] PD at p. 18.

[38] PD at pp. 18-19.

effectiveness, there does not appear to be any framework or mechanism tying the IERA to cost-effectiveness evaluation or application.

Second, the IERA report relies on metrics the DOE Guide would exclude and omits metrics the guide considers most important. The DOE Guide's illustrative DEA metrics include rates, bills, energy burden, participation, reliability, shutoffs, health, and jobs.[39] It identifies rate impacts and DER participation rates as metrics that "capture very important equity implications".[40] The DOE Guide also requires that DEA metrics focus on impacts "where utility DER investments, or the investments that they defer or avoid, are likely to have an impact".[41] Moreover, when applying such requirements to the Puget Sound Energy (PSE) case study, the guide excluded SAIDI and the System Average Interruption Frequency Index (SAIFI) because PSE "was not able to isolate *the extent to which its EE programs will affect reliability*."[42] The IERA report uses SAIDI, SAIFI, Customer Average Interruption Duration Index (CAIDI), and Momentary Average Interruption Frequency Index (MAIFI) as core measures without connecting those measures to specific DERs, and it omits participation, bill and rate impacts, and energy burden.[43] D.26-08-007 identifies PSPS, fast-trip settings, and other wildfire mitigation measures as drivers of outage trends and requires the IOUs to report them separately; though these are drivers of reliability, these metrics further diverge from DER cost-effectiveness than reliability metrics included in the DOE Guide while at the same time the omitted metrics are the ones most relevant to EE and other DER programs identified previously in this proceeding.[44]

Third, the PD applies the results more broadly than the DOE Guide contemplates. Under the DOE Guide, a DEA *informs* a decision on the program being evaluated, much like the

[39] DOE Guide at p. 45, Table 9.

[40] DOE Guide at p. xiv.

[41] DOE Guide at p. 41, Table 8.

[42] DOE Guide at p. 105, emphasis in the original document.

[43] PD at p. 18.

[44] D.26-08-007 at pp. 21-23; Joint Reply Brief at p. 44.

informational role of the SCT, namely whether to implement it, reject it, modify it, or prioritize it among alternatives. The actions it supports are "limited to the specific investment being evaluated".[45] The PD's framework instead sends the IERA results into the GNA and the GRC, where the IOUs must address distribution investment, planning strategy, rate design, and cost allocation.[46]

The issues identified above illustrate some of the substantive differences between the PD's framework and a DEA as structured in the DOE Guide and the record in this proceeding, but there are likely other issues as applied to DER cost-effectiveness issues. The PD thus adopts what is effectively a distribution planning tool in a proceeding centrally focused on evaluating supply and demand resources and cost-effectiveness of DER programs, which are largely behind the meter. A PD and corresponding comments on such a framework that introduces new issues and scope are not the appropriate place to develop and determine the methodology, inputs, and regulatory uses of a DEA. While the underlying reliability data could inform a DEA tool, a program level DEA tied to the TRC and SCT would still need to develop to address the issues scoped in Track Three.[47] PG&E respectfully recommends the Commission develop a DEA through a staff proposal, workshops, and comments, with participation from the full range of program administrators and stakeholders.

III. CONCLUSION

PG&E appreciates the opportunity to provide comments on the PD and strongly recommends the Commission make the revisions suggested herein.

[45] DOE Guide at p. 9.

[46] PD at pp. 18, 20.

[47] PD at pp. 4-5.

Respectfully submitted,

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Dated: November 3, 2026

APPENDIX A – RULE 14.3 (B)
TO
OPENING COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) ON PROPOSED DECISION ADOPTING GUIDING PRINCIPLES FOR THE AVOIDED COST CALCULATOR AND ESTABLISHING A DISTRIBUTIONAL EQUITY ANALYSIS PROCESS

PG&E respectfully proposes the following modifications to the PD's findings of fact, conclusions of law, and ordering paragraphs as follows. PG&E has only included those findings, conclusions, or ordering paragraphs in which it proposes changes. Proposed deletions are shown in bold strikeout, while proposed additions are shown in bold underline. New Paragraph (NP) refers to a placeholder for a new paragraph number, based on the numbering in the final decision.

Conclusions of Law:

~~**2. The Commission should adopt a Distributional Equity Analysis framework to identify circuit-level patterns showing relationships between distribution planning equity, reliability performance, and equity-priority population characteristics.**~~

~~**3. Beginning in 2028, the Commission should publish an Integrated Equity and Reliability Analysis Report that integrates data from the Equity Metrics in DPEP Report and the Reliability Report at the circuit level.**~~

~~**4. The Commission should convene a public workshop with California IOUs to present the Integrated Equity and Reliability Analysis Report's methodology and findings.**~~

~~**5. PG&E, SCE, and SDG&E shall include the Integrated Equity and Reliability Analysis Report results in their respective GRC applications following publication of the reports. Within its GRC application, PG&E, SCE and SDG&E should: explain the circuit-level patterns identified in the report and provide context for distribution investment decisions; describe whether and how identified circuit-level findings inform utility planning and investment strategies in the GRC period of the filing; and describe how rate design and cost allocation decisions reflect these equity and reliability outcomes.**~~

~~**6. The Commission's Energy Division should publish an updated Integrated Equity and Reliability Analysis report as updated information becomes available.**~~

~~**7. Upon publication of an updated version of the Integrated Equity and Reliability Analysis Report, the IOUs should rely on the most recent version of the report to fulfill the GRC filing requirements outlined above.**~~

NP. <u>The Commission should direct Energy Division to commence a stakeholder process to develop a Distributional Equity Analysis, consistent with the U.S. Department of Energy's *Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide*. The Distributional Equity Analysis should complement distributed energy resource cost-effectiveness evaluation, apply to all</u>

program administrators, and be developed with participation from program administrators and other affected stakeholders.

Ordering Paragraphs:

~~**2. This decision adopts a new Distribution Equity Analysis framework:**~~

~~**a. Beginning in 2028, the Commission will publish an Integrated Equity and Reliability Analysis Report to identify circuit-level patterns showing relationships between distribution planning equity, reliability performance, and equity-priority population characteristics.**~~

~~**b. The Commission's Energy Division staff will convene a public workshop on the Integrated Equity and Reliability Analysis Report. The workshop will call for both presentation of the report and feedback from impacted entities consistent with this decision.**~~

~~**c. The Commission's Energy Division staff shall publish an updated version of the Integrated Equity and Reliability Analysis Report as updated data from the "Equity Metrics in DPEP" and "Reliability" reports becomes available in subsequent reporting cycles.**~~

~~**d. The Commission's Energy Division staff shall direct Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to include and address the Integrated Equity and Reliability Analysis Report results in the annual Grid Needs Assessment after the results are published and assessed.**~~

~~**3. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each include and address the Integrated Equity and Reliability Analysis Report results in their respective subsequent General Rate Case application as described below:**~~

~~**a. Explain the circuit-level patterns identified in the report and provide context for distribution investment decisions;**~~

~~**b. Describe whether and how identified circuit-level findings inform utility planning and investment strategies in the GRC period of the filing; and**~~

~~**c. Describe how rate design and cost allocation decisions reflect these equity and reliability outcomes.**~~

~~**4. Upon publication of an updated version of the Integrated Equity and Reliability Analysis Report, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall rely on the most recent**~~

~~**version of the report to fulfill the General Rate Case filing requirements in Ordering Paragraph 3.**~~

NP. **Within 180 days of the effective date of this decision, Energy Division shall issue a staff proposal for a Distributional Equity Analysis consistent with the U.S. Department of Energy's *Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide*. The proposal shall address how the Distributional Equity Analysis will complement distributed energy resource cost-effectiveness evaluation and apply to all program administrators.**