STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

March 26, 2025 **Agenda ID #23388**

Quasi-Legislative

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

This is the proposed decision of Commissioner 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 May 15, 2025 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:jnf

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER HOUCK**
(Mailed 3/26/2025)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

PHASE 4 TRACK A DECISION ESTABLISHING NEW ELECTRIC SERVICE LINE UPSIZING RULES, MODIFYING ELECTRIC LINE EXTENSION RULES AND REPORTING REQUIREMENTS, AND IMPLEMENTING ASSEMBLY BILL 157

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Summary

This decision resolves the Phase 4 Track A issues identified in the Assigned Commissioner's Phase 4 Scoping Memo and Ruling ~~issued on July 1, 2024,~~ and the implementation issues relating to Assembly Bill 157 (Gabriel, Chapter 994, Statutes 2024) identified in the Assigned Administrative Law Judge's ~~Ruling issued on~~ October 8, 2024 Ruling. Specifically, this decision:

1. Authorizes up to $5 million annually through the end of 2029 for California's electric utilities to provide electric service line upsizing to qualified under-resourced customers pursuing ~~full~~ electrification of their home or business;
2. Adopts measures to help prevent unnecessary electric service line upsizing, including expanding the existing electric utility safety evaluation processes to authorize non-isolating devices that interface with utility metering equipment;
3. Clarifies and modifies various aspects of Decision 23-12-037, including extending the energization deadline for mixed-fuel new construction projects to receive electric line extension subsidies;
4. Requires, starting in 2026, all annual reports ordered pursuant to decisions in this proceeding to be submitted on April 15 of each year via an Advice Letter and ~~made~~select information available on the utility's website consistent with the discussion below; and
5. Authorizes augmentation of the Technology and Equipment for Clean Heating Initiative budget by an additional $40 million ~~using~~in funding from the Aliso Canyon Recovery Account, directed for use in Southern California Gas Company service territory in a manner consistent both with new legislative direction and past precedent.

This decision furthers the Commission's goal to adopt policies aimed at reducing greenhouse gas emissions associated with energy use in buildings while also ~~furthering~~advancing the State of California's goals of reducing economy-wide greenhouse gas emissions to 40 percent below 1990 levels by 2030 and achieving carbon neutrality by 2045 or sooner, while keeping affordability top of mind.

Lastly, this decision promotes and furthers the Commission's goals adopted in the Environmental and Social Justice Action Plan (Version 2.0).

This proceeding remains open.

1. Procedural Background

On September 13, 2018, Governor Jerry Brown signed into law Senate Bill (SB) 1477 (Stern, Chapter 378, Statutes 2018). To promote California's building-related greenhouse gas (GHG) emissions reduction goals, SB 1477 made available $50 million annually for four years, for a total of $200 million, to establish two new building electrification pilot programs: the Building Initiative for Low-Emissions Development (BUILD) Program and the Technology and Equipment for Clean Heating (TECH) Initiative. Program funding derived from the revenue generated from the GHG emissions allowances directly allocated to gas corporations and consigned to auction as part of the California Air Resources Board (CARB) Cap-and-Trade program.

In response to the ~~passage~~enactment of SB 1477, the Commission initiated Rulemaking (R.) 19-01-011.

On May 17, 2019, the Assigned Commissioner issued a Scoping Memo and Ruling setting forth the issues to be considered in Phase 1 of R.19-01-011 (Phase 1 Scoping Memo). The Phase 1 Scoping Memo was amended on July 16, 2019, to include additional issues. Phase 1 issues were resolved in Decision

(D.) 20-03-027, which established the two building decarbonization pilot programs required by SB 1477: the BUILD Program and the TECH Initiative.

On August 25, 2020, the Assigned Commissioner issued an Amended Scoping Memo and Ruling setting forth the issues to be considered in Phase 2 of R.19-01-011, and included an associated Energy Division Staff Proposal. Phase 2 issues were resolved in D.21-11-002, which: (1) adopted guiding principles for the layering of incentives when multiple programs fund the same equipment; (2) established a new Wildfire and Natural Disaster Resiliency Rebuild program to provide financial incentives to help victims of wildfires and other natural disasters rebuild all-electric properties; (3) provided guidance on data sharing; (4) directed California's three large electric investor-owned utilities to study energy bill impacts that result from switching from gas water heaters to electric heat pump water heaters, and to propose a rate adjustment in a new Rate Design Window application if their study reflected a net energy bill increase (resolved in Resolution E-5233); and (5) directed the large electric utilities to collect data from all customers commencing electric service on fuels used to power various appliances, including propane.

On November 16, 2021, the Assigned Commissioner issued an Amended Scoping Memo and Ruling setting forth the issues to be considered in Phase 3 of R.19-01-011, and included an associated Energy Division Staff Proposal. Initial Phase 3 or Phase 3A issues were resolved in D.22-09-026, which eliminated gas line extension subsidies (i.e., allowances, refunds, and discounts) for all new gas line extension requests submitted on or after July 1, 2023, for all customer classes unless otherwise exempted.

On July 26, 2023, the Assigned Commissioner issued an Amended Scoping Memo and Ruling (Phase 3B Scoping Memo) setting the scope and schedule for

Phase 3B of this proceeding, and included an associated Energy Division Staff Proposal. D.23-12-037 resolved Phase 3B issues, eliminated electric line extension subsidies for mixed-fuel new construction, and set reporting requirements.

1.1. Phase 4

On July 1, 2024, the Assigned Commissioner issued an Amended Scoping Memo and Ruling (Phase 4 Scoping Memo) setting the scope and schedule for Phase 4 of this proceeding. ~~The~~On July 18, 2024 ~~ruling by the Assigned Administrative Law Judge (ALJ) included~~, Energy Division's Phase 4 Track A or Phase 4A Staff Proposal (Staff Proposal) ~~and~~was released to the proceeding service list by a ruling. This same ruling directed parties to file comments on the Staff Proposal while also extending the time to file comments in response to the Phase 4 Scoping Memo questions.

On or before August 7, 2024, the following parties filed ~~18~~ opening comments in response to the Phase 4 Scoping Memo and the Phase 4A Staff Proposal~~. Parties who filed opening comments included~~: (1) Association of Bay Area Governments for the Bay Area Regional Energy Network Program and County of Ventura for the Tri-County Regional Energy Network Program (collectively "the Joint RENs"), (2) California Solar & Storage Association (CALSSA), (3) Clean Power Alliance of Southern California (CPA), (4) Coalition of California Utility Employees (CUE), (5) ConnectDER Inc. (ConnectDER), (6) County of Los Angeles for the Southern California Regional Energy Network (SoCalREN),[1] (7) Pacific Gas and Electric Company (PG&E), (8) Public Advocates Office at the California Public Utilities Commission (Cal Advocates), (9) San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company

[1] This late-filed comment was received into the record.

(SoCalGas) (collectively "Sempra Utilities"), (10) San Francisco Bay Area Planning and Urban Research Association (SPUR), (11) Sierra Club, California Environmental Justice Alliance (CEJA), and Natural Resources Defense Council (NRDC) (collectively "the Joint Parties"), (12) Small Business Utility Advocates (SBUA), (13) Southern California Edison Company (SCE), (14) Vermont Energy Investment Corporation (VEIC), (15) Western Riverside Council of Governments (WRCOG), and (16) Wild Tree Foundation (Wild Tree). While most parties consolidated their opening comments on both the Phase 4 Scoping Memo and the Staff Proposal into a single filing, PG&E and SDG&E (exclusive of SoCalGas) both filed two sets of opening comments addressing the Phase 4 Scoping Memo and the Staff Proposal separately.

On or before August 19, 2024, the following parties filed ~~12 reply comments. Parties who filed~~ reply comments ~~included~~: (1) the Joint RENs, (2) Cal Advocates, (3) California Building Industry Association (CBIA), (4) CALSSA, (5) CUE, (6) the Joint Parties, (7) PG&E, (8) SBUA, (9) SCE, (10) Sempra Utilities, (11) The Utility Reform Network (TURN), and (12) WRCOG.

1.2. AB 157 Implementation

On October 8, 2024, the Assigned Administrative Law Judge (ALJ) issued a ruling directing parties to file comments on how the Commission should implement the portion of

Assembly Bill (AB) 157 (Gabriel, Chapter 994, Statutes 2024) regarding new TECH Initiative funding in SoCalGas service territory.

On or before October 28, 2024, the following parties filed ~~nine~~ opening comments in response to the October 8, 2024 ~~Ruling~~ruling regarding AB 157~~. Parties who filed opening comments included~~: (1) Cal Advocates, (2) Climate

Action Campaign (CAC), (3) ConnectDER, (4) the Joint Parties, (5) PG&E, (6) SCE, (7) SPUR, (8) TURN, and (9) VEIC.[2]

On or before November 7, 2024, the following parties filed ~~eight reply comments. Parties who filed~~ reply comments ~~included~~: (1) A.O. Smith Corporation (A.O. Smith), (2) CAC, (3) CEJA (exclusive of Sierra Club and NRDC), (4) Los Angeles Department of Water and Power (LADWP), (5) PG&E, (6) SCE, (7) SoCalGas (exclusive of SDG&E), and (8) VEIC.

2. Submission Date

~~As to the~~ Phase 4A issues~~, the matter was deemed~~ were submitted on November 7, 2024.[3]

3. Issues Before the Commission

~~In this~~This decision~~, the Commission~~ addresses the following Phase 4 Track A issues ~~outlined~~identified in the Phase 4 Scoping Memo:

- Whether the Commission should allocate a portion of the ratepayer savings from elimination of the gas and electric line extension allowances for mixed fuel developments to provide necessary electrical service line upsizing to under-resourced customers, and define what is necessary electrical service line upsizing.
- Whether the Commission should adopt measures to prevent unnecessary service line upsizing; and if so what those measures should be.
- Whether the Commission should revisit the line extension subsidy July 1, 2024 energization deadline, established in D.23-12-037 Ordering Paragraph 5; and if so under what circumstances.

[2] VEIC filed its opening and reply comments on behalf of the TECH Initiative team, which it is a part of.

[3] This is the date the last reply comments were filed concerning AB 157.

This decision also addresses the ~~broader~~ environmental and social justice (ESJ) issue, which the Phase 4 Scoping Memo identified as ~~the first of two issues~~an issue to be considered ~~across "All Tracks" of~~in all Phase 4 tracks:

- Are there potential impacts to ESJ communities and if so how best to incorporate the goals of the ESJ Action Plan 2.0 in developing the building decarbonization action plan.

Finally, the Phase 4 Scoping Memo ~~identified and~~ envisioned ~~that, across all Phase 4 tracks[4] of this proceeding, we would continue to "consider~~ consideration of "all policy framework issues, including programs, rules, and rates, that will help accomplish building decarbonization, as part of the state's GHG reduction goals~~.~~" in all Phase 4 tracks.[4] Consistent therewith, this decision addresses the following issues as potential "additional actions that may help achieve California's climate and equity goals~~?~~":

- Whether the Commission should change any reporting requirement procedures previously adopted in this proceeding.[5]
- How the Commission should implement the portion of AB 157 regarding new TECH Initiative funding in SoCalGas service territory.[6]

4. Common Facility Cost Treatment for Electric Service Line Upsizing

The Phase 4 Scoping Memo ~~directed parties to file~~sought party comments on whether the Commission should allocate a portion of ratepayer savings from

~~[4] *Citing* May 17, 2019 Scoping Memo, at 3-4, which established initial schedule for R.19-01-011.~~

[4] *Citing* May 17, 2019 Scoping Memo, at 3-4, which established initial schedule for R.19-01-011.

[5] This issue is based on a question posed to the parties in Appendix A to the Phase 4 Scoping Memo (Question 8) and the parties' comments thereto.

[6] This issue is based on the October 8, 2024 ALJ ruling directing parties to comment on AB 157 implementation, and the parties' comments thereto.

elimination of the gas and electric line extension allowances for mixed-fuel developments to provide necessary electric service line upsizing to under-resourced customers, and to define what is necessary electrical service line upsizing.[7]

The Phase 4 Scoping Memo additionally ~~asked parties~~sought party comments on how the Commission should define who is considered an "under-resourced" customer in the event common facility cost treatment (i.e., ~~full~~ subsidization of an electric service line upsizing ~~with no direct cost~~ to the requesting party) is extended solely to such customers.[8]

Finally, the Phase 4 Scoping Memo ~~asked parties~~sought party comments on whether the Commission should limit any potential extended common facility

[7] Parties were asked to comment on the following questions: (1) Should the Commission limit any potential extension of common facility cost treatment to just residential under-resourced customers? If not, what other customer segments should be considered? (2) Should the Commission limit any potential extension of common facility cost treatment solely to cases involving the installation of electric appliances or should service line upsizing be agnostic as to end use? If not, should investor-owned utilities (IOUs) be required to verify if only approved end uses were pursued? How should this be implemented? (3) Should the Commission limit any potential extension of common facility cost treatment in cases where a service line upsizing is estimated to cross a certain cost threshold? If so, what should that cost threshold be? (4) Should the Commission place limits on the amount of ratepayer funds that can be expended for any potential extension of common facility cost treatment policy (e.g., extension cost, extension length, need for undergrounding, etc.)? If so, what should those limits be and how should they be imposed? (5) How should any potential extension of common facility cost treatment be evaluated to determine future need for termination or modification? Should any such evaluation be done in concert with an evaluation of the same policy that is already in place for electric vehicle charging?

[8] Specific questions posed to parties included the following: (1) Should "under-resourced" be defined as broadly as possible, and be inclusive of existing definitions established by the California Legislature and by various Commission decisions? Or should narrower limits be put in place? (2) Should the income of the applicant requiring the service line upsizing be verified? If so, how, and by whom, should it be verified?

cost treatment solely to customers who participate in an incentive or assistance program.[9]

4.1. Summary of ~~Opening Comments~~Party Positions

The Joint RENs support allocating savings from the elimination of line extension subsidies for expanded common facility cost treatment, viewing common facility cost treatment as a necessary measure to help under-resourced customers benefit from building electrification, and to prevent those customers from bearing the costs of legacy gas systems. They also recommend tying this allocation to participation in other Commission-authorized programs.[10]

The Joint Parties argue service line upsizing costs triggered by building electrification should receive common facility cost treatment for all customers, not only for under-resourced customers, as is current practice when service line upsizing costs are triggered by electric vehicle (EV) charging, stating this policy is necessary to help California achieve its climate objectives and to facilitate compliance with upcoming zero nitrogen oxides regulations. They further recommend against linking the socialization of costs to savings from eliminated electric line subsidies. Finally, the Joint Parties ~~suggest~~propose common facility cost treatment ~~could~~to be piloted for four years, with the last and fourth year to be used for Commission decision-making on whether to extend such treatment based on the prior three years of data.[11]

PG&E also supports common facility cost treatment for all customers – not just under-resourced customers – and similarly argues that it is consistent with

[9] Parties were asked the following: (1) Is participation in an incentive or assistance program essential or should participation in an incentive or assistance program not be necessary?

[10] Joint RENs Opening Comments on Phase 4 Scoping Memo at 3 and 5.

[11] Joint Parties Opening Comments on Phase 4 Scoping Memo at 1-3 and 9.

the common facility cost treatment policy the Commission established for service line upsizing triggered due to installation of EV charging infrastructure.[12]

~~Both the~~The Joint Parties and PG&E favor all of the following: (1) no income verification of the applicant; (2) limiting the final upsized line to no more than 200-amp service; (3) not imposing verification requirements on utilities to check whether the customer first pursued alternative pathways; (4) no upper cap, or cost threshold, per project; (5) no cap on funding availability; and (6) not limiting common facility cost treatment only to participants of electrification programs.

Cal Advocates supports allocating a portion of ratepayer savings for service line upsizing for under-resourced customers, emphasizing this can help reduce the capital barriers to electrification. Their other recommendations include: (1) common facility cost treatment to be agnostic to end use to avoid undue verification burdens; (2) a budget cap for total ratepayer expenditures equal to savings from elimination of gas line extension subsidies and proportionally allocated by residential and non-residential customer classes; (3) a soft limit of $10,000 per project, with higher limits subject to case-by-case review; (4) creation of a biennial review process to determine new funding and project cap limits; and (5) defining "under-resourced customer" as a participant of the Energy Savings Assistance (ESA) program, or "hard-to-reach customers," as defined by the Commission's Energy Efficiency proceeding (R.13-11-005).[13]

SBUA supports allocating savings from the elimination of line extension subsidies for expanded common facility cost treatment, but argues that common

[12] PG&E Opening Comments on Phase 4 Scoping Memo at 3.

[13] Cal Advocates Opening Comments on Phase 4 Scoping Memo at 1-9.

facility cost treatment should not be limited to ~~residential~~ under-resourced residential customers alone, and should include under-resourced small business customers, as defined in D.23-06-055:

- 25 or fewer employees and/or classified as Very Small (Customers whose annual electric demand is less than 20 kilowatts (kW), or whose annual gas consumption is less than 10,000 ~~therm~~therms, or both)~~,~~; and/or
- Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer.[14]

SCE supports allocating a portion of the savings from eliminating gas and electric line extension subsidies to provide common facility cost treatment for under-resourced customers. SCE emphasized this should be implemented gradually to ~~ensure~~provide actual savings from line extension subsidy elimination to materialize before implementation. SCE proposes the process should begin by establishing a methodology for estimating savings and include rules for administration, eligibility, and accounting challenges.[15]

Sempra Utilities oppose allocating savings from the elimination of line extension subsidies for expanded common facility cost treatment until the ratepayer savings from elimination of line extension subsidies are quantified. They contend that extending customer incentives without reliable data could burden all ratepayers, including those who do not benefit from such programs.[16]

SPUR supports using a portion of the savings from line extension subsidy elimination for service line upsizing for all electric utility customers seeking to

[14] SBUA Opening Comments on Phase 4 Scoping Memo at 1 and 12.

[15] SCE Opening Comments on Phase 4 Scoping Memo at 7 and 8.

[16] Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 1-5.

electrify, at a minimum, home heating alone. SPUR contends it is necessary to enable affordable electrification and compliance with California's clean heating goals. SPUR cites ~~the~~to PG&~~E~~E's website on Building and Renovation Services noting that for at least 80 percent of customers, existing allowances do not cover the full cost of upsizing, with 75 percent of customers paying up to $10,000 post-allowance, 5 percent paying in excess of $30,000 post-allowance, and the remaining 20 percent paying between $10,000 to $30,000 post-allowance, for electric underground upsizing less than 400 amp.[17]

For the method of verification, SPUR recommends utilities collect information regarding expected end uses directly from the customer (that is, self-attested by the customer) within the customer application, as well as information about replaced and installed equipment.[18]

~~4.2. Summary of Reply Comments~~

~~Most~~While most parties ~~reinforced~~reiterated their original positions in their reply comments~~. Some~~, some parties modified their positions on specific sub-topics or issues only~~, as highlighted below.~~

. For example, the ~~The~~ Joint RENs~~, replying to~~' reply comments ~~from~~, to PG&~~E~~E's and the Joint Parties' opening comments, support extending common facility cost treatment to all customers~~, vis-à-vis their~~; this is a change from Joint RENs' original position ~~for supporting it for just~~which supported extension of common facility treatment only to under-resourced customers. They also agreed with SBUA that it should be extended to small business customers~~, as well~~. Further, they add that common facility cost treatment should be limited to participating customers of certain Commission-authorized programs with the

[17] "Solving the Panel Puzzle" SPUR report at 5; cited in SPUR Opening Comments at 3.

[18] SPUR Opening Comments on Phase 4 Scoping Memo at 2-8.

idea that education materials ("program offering touchpoints") should be offered by the utility to applicants during the service upsizing application process, including workforce training program offerings for contractors.[19]

TURN, in its reply comments, recommended: (1) any potential expansion of common facility cost treatment should initially be limited to residential and small business under-resourced customers as a ~~three-year~~three- or four-year pilot before establishing a long-term policy; (2) limiting common facility cost treatment only for applicants pursuing appliance electrification; (3) requiring utilities to collect data, in line with SPUR's recommendations, so the Commission can determine whether to continue common facility cost treatment in the future; (4) limiting common facility cost treatment to customers with existing electric service line capacity of less than 100 amperes (amps), and limiting the final upsized electric service line capacity to ~~no more than~~not exceed 200 amps; (5) requiring utilities to collect documentation of customer-pursued load mitigation strategies; (6) setting a budget cap for the common facility cost treatment to be equal to fifty percent of the projected savings from elimination of gas line extension subsidies; and (7) limiting participation to residential customers receiving either California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance Program (FERA) rate discounts, or customers ~~participation~~participating in the ESA program, and for non-residential customers of disadvantaged communities (DACs), or the criteria provided by SBUA.[20]

SBUA agrees with the Joint RENs that common facility cost treatment should be tied to programs, not end use.[21]

[19] Joint RENs Reply Comments on Phase 4 Scoping Memo at 1 and 2.

[20] TURN Reply Comments on Phase 4 Scoping Memo at 2-10.

[21] SBUA Reply Comments on Phase 4 Scoping Memo at 3.

4.2. ~~4.3.~~ Discussion

~~Any decision adopted that utilized ratepayer funds must keep in mind~~The Commission understands that many California ratepayers are currently experiencing the impact of recent rate increases. ~~We therefore have~~Accordingly, this decision carefully examined the issue of common facility cost treatment for an expanded segment of customers while keeping affordability top of mind, as discussed below.

~~This decision~~The Commission finds that common facility cost treatment should be equitable, minimal, subject to re-evaluation, and any funds not expended must be returned to ratepayers. We therefore adopt common facility cost treatment solely for under-resourced residential and small business customers~~,~~ who are participants ~~of~~in an electrification program that triggers the need for service line upsizing. Customers should also first seek alternative approaches to fund service line upsizing. The program authorizes an amount up to an annual funding cap of $5 million statewide, and proportionally allocated across ~~all~~the three large electric utilities~~, including the Small Multi-Jurisdictional Utilities (SMJUs).~~[22] ~~This~~ (i.e., PG&E, SCE, and SDG&E).[22] We will set this initial program ~~will be set~~ for ~~a~~an approximate four-year test period ~~(July~~, from

~~[22] Per a recent UCLA study, cited by SPUR in their Opening Comments at 4, 2 percent of single-family homes, and 1 percent of multi-family homes, in DACs have a rated electrical panel capacity of less than 100 amp, and less than 60 amp, respectively. Assuming a high co-relation between electrical panel capacity and existing service size, the common facility cost treatment policy is intended to provide cost relief to at least these subsets of customers.~~

[22] Per a recent UCLA study, cited by SPUR in their Opening Comments at 4, 8 percent of single-family homes and 14 percent of multi-family homes in DACs have a rated electrical panel capacity of less than 100 amps, and less than 60 amps, respectively (https://www.ioes.ucla.edu/wp-content/uploads/2024/06/2024-Quantifying-the-electric-service-panel-capacities-of-Californias-residential-properties.pdf). Assuming a high co-relation between electrical panel capacity and existing service size, the common facility cost treatment policy is intended to provide cost relief to at least these subsets of customers.

October 1, 2025, to June 30, 2029~~), no more than six months after which any unspent funds will~~. The first-year test period will run for nine months, whereas each remaining test year will run for full 12 months. During the last test year (July 1, 2028, to June 30, 2029), the Commission will evaluate the program by reviewing the information submitted by the participating electric utilities during the preceding three years. If the Commission decides not to continue the program beyond June 30, 2029, all applications submitted by the program end date of June 30, 2029, shall remain eligible for funding provided funds remain available. Any unallocated funds remaining after December 31, 2029, shall be returned to ratepayers.

Table 1:
Yearly Allocation of Funds for Common Facility Cost Treatment

Year	Time Period	Funds Deposited Into Utility Balancing Accounts
Year 1 (Partial Year)	October 1, 2025 - June 30, 2026	$5 million
Year 2	July 1, 2026 - June 30, 2027	$5 million
Year 3	July 1, 2027 - June 30, 2028	$5 million
Year 4 (Evaluation Year)	July 1, 2028 - June 30, 2029	$5 million

The record ~~in this phase of the proceeding demonstrates that~~supports a need for customer cost relief ~~is needed for~~, as to a subset of customers who may ~~find themselves in a situation where~~not be able to achieve electrification ~~otherwise would be unachievable~~without assistance. Given the current affordability crisis and need to assess actual savings that ~~will~~ result from the elimination of gas line extension ~~allowance elimination~~subsidies and mixed-fuel

electric line extension subsidies, we find it necessary to limit the funding for this initial program.

Electric Tariff Rule 16 defines "service facilities" as (a) primary or secondary underground or overhead service conductors, (b) poles to support overhead service conductors, (c) service transformers, (d) utility-owned metering equipment, and (e) other utility-owned service-related equipment. Common facility cost treatment shall apply to utility-owned service facilities, consistent with that definition. Any costs for upsizing electric service facilities for building electrification in excess of the existing allowance would be treated as common facility costs.

For purposes of this decision, we defer to Electric Tariff Rule 1 for the definition of "small business": (1) businesses with 25 or fewer employees and allows self-attestation, and (2) non-residential metered service customers that either (a) have an annual electricity usage equal to or less than 40,000 kilowatt-hours (kWh), or whose demand is equal to or less than 20kW, or (b) are a self-certified "Microbusiness" as per California Government Code Section 14837(d)(2),[23] including any amendments to that Government Code section adopted after the issuance of this decision.

For purposes of this decision, we define a multi-family property as any property with two or more dwelling units.

~~We adopt SBUA's proposed definition of "small business" as any business with fewer than 25 employees. The~~To qualify for common facility cost treatment~~ shall be made available to~~, an under-resourced ~~residential~~single-family's and

[23] Government Code Section 14837(d)(2) currently defines "Microbusiness" as a small business which, together with affiliates, has average annual gross receipts of five million dollars ($5,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c), with 25 or fewer employees.

small business ~~customers with~~customer's existing service capacity must be below 100 amps~~. To qualify~~, and the upsized line shall not exceed 200 amps~~, and the customer must remove or replace all gas appliances to achieve full electrification of the building. Within 60 days of finalizing the service upsizing and service restoration, the electric utility must automatically enroll the customer in the all-electric baseline.[23]~~. Similarly, to qualify for common facility cost treatment, a multi-family property's existing electric service line(s) must be less than 100 amps per dwelling unit, and the upsized line shall not exceed 200 amps per dwelling unit.

To be eligible for common facility cost treatment, a customer must comply with both of the following eligibility measures, which are consistent with the required measures adopted for the California Energy Commission's (CEC) Equitable Building Decarbonization (EBD) Program Guidelines:[24]

1. Replace existing gas-fired heating equipment (i.e., equipment fueled by natural gas, propane, or another fossil fuel) with a heat pump for space heating and cooling, or replace an existing gas-fired water heater with a heat pump water heater; and
2. At the conclusion of the retrofit, at least two of the following four end uses in the building must be electric:

~~[23] Public Utilities (Pub. Util.) Code Section 739(a)(1) defines "baseline quantity" as "a quantity of electricity or gas allocated by the commission for residential customers based on from 50 to 60 percent of average residential consumption of these commodities, except that, for residential gas customers and for all-electric residential customers, the baseline quantity shall be established at from 60 to 70 percent of average residential consumption during the winter heating season." Pub. Util. Code Section 739(b) defines "all-electric residential customers" as "residential customers having electrical service only or whose space heating is provided by electricity, or both."~~

[24] *See* https://efiling.energy.ca.gov/GetDocument.aspx?tn=252682&DocumentContentId=87762 at 13.

space heating, water heating, cooking, and clothes drying.
Full building electrification is encouraged but not required.

This decision does not adopt a ~~single~~ definition of "under-resourced." Instead, it accepts the need-based eligibility criteria established by the applicable program(s) through which the customer will receive incentives towards electrification measures~~. That is, the definition of "under-resourced" shall be determined by the equity-based programs through which the customer is being offered incentives resulting in full electrification of the premise, including but not limited to income-qualified programs and programs for under-served communities.~~

, consistent with the eligibility criteria set forth above. In this context, we define a "Program" to mean any collective public service initiative including but not limited to those overseen, managed, or led by utilities, Community Choice Aggregators (CCAs), local governments, Regional Energy Networks (RENs), state or federal agencies, non-profit organizations, or community-based organizations, with the general purpose of making a positive impact towards reducing ~~climate change caused~~GHG emissions from building energy use. These ~~would typically~~ include~~,~~ but are not limited to~~,~~ initiatives supporting building electrification or fuel substitution~~, distributed renewable generation and onsite storage, and building electric efficiency~~. Gas efficiency programs, however, do not qualify as an eligible Program and therefore fall outside of this definition.

~~Income verification, if~~Where applicable, ~~shall be the responsibility of~~ the program administrator~~. The~~ shall be responsible for income verification. The participating electric utilities are not required to collect ~~any~~ new proof of income~~. The~~; instead, the customer ~~shall~~must provide information during the application process, as to whether the customer ~~was~~is part of an income-based program, the

name of the program, and the year in which the customer enrolled in the program. ~~Self-attestation on the application from the customer as having enrolled in an income-qualified program shall be considered sufficient.~~

The participating electric utilities shall also collect and report information on the added loads triggering service upsizing, the existing service and main electrical panel size, and the installed service and main electrical panel size. The participating electric utilities shall refer to Appendix A for the full list of requirements~~,~~ and shall include this information as part of the annual reporting required under Resolution E-5105. All information required under Resolution E-5105, including the new requirements detailed in Appendix A, shall be submitted as a Tier 1 Advice Letter in accordance with the revised reporting timelines established in Section ~~7.3~~7.2 of this decision. Utilities shall report information listed and required by Appendix A for all customers replacing an existing or installing a new service line, regardless of whether they received common facility cost treatment subsidy.

~~We re-emphasize~~The Commission affirms that in cases where service lines exist and are currently serving customers, service upsizing should be avoided unless necessary and ~~when~~only if other reasonable options (e.g., panel optimization solutions) have been exhausted. ~~However, in cases where entirely new electric utility infrastructure and electric service lines (i.e., front-of-the-meter equipment) must be newly installed or re-installed to residential buildings, installing 200-amp service lines and accompanying infrastructure is appropriate, as it will help prevent the need and costs for potential future upsizing.~~

The utility, ~~Service line upsizing shall be agnostic to end use, provided it is part of a project resulting in termination of gas service to the premise. The utility must~~

~~track~~ through its application submittal process, must track the end use(s) (e.g., electrification, solar panel installation, etc.) ~~that~~ triggering the need for the service line upsizing.

~~Single-family projects shall be extended~~This decision extends common facility cost treatment to single-family and small business projects up to a per project ~~cost~~ cap of $10,000 ~~to ensure the maximum~~above the existing allowance, to maximize the number of customers ~~can use this~~able to benefit from the limited funding. The customers must bear any costs that exceed the common facility cost. Common facility cost treatment for small business under-resourced customers shall not exceed 25 percent of total annual program funding.

The utilities shall track total costs associated with providing this expanded common facility cost treatment for all projects, and report annually – as part of the reporting required under Resolution E-5105 – how many projects ~~were denied common facility cost treatment because they were estimated to exceed~~exceeded the $10,000 cap for single-family and small business customers, and document the conditions and reasons resulting in the projects exceeding the cap. This reporting requirement shall automatically sunset after the final report, once the authorized funds have been fully expended, or after four years, whichever comes first. Any funds not expended after four years shall be returned to ratepayers.

We do not adopt a per project cost cap for multi-family projects ~~at this time,~~ because a large ~~proportion~~segment of under-resourced customers live in multi-family housing, and the barriers to electrifying larger properties that rely on multiple funding sources for upgrades are greater than for single-family projects. ~~We also note that multi-family~~Multi-family properties often have substantial costs associated with service upsizing on the customer~~/property~~

~~owner~~ or property-owner side of the meter and up to the electrical panel. These costs could include ~~upgrade~~upgrades to the service mains, feeder cables, and associated trenching costs up to sub-panels of individual dwelling units. Costs such as engineering studies or assessments to determine whether upsizing is needed are not included in the costs allowed under this program. Currently, only the High-Efficiency Electric Home Rebate A (HEEHRA) program administered by the ~~California Energy Commission (~~CEC~~)~~ offers a modest incentive to offset some of these costs. High costs for service line extensions in multi-family properties can be a barrier to electrification for these properties. This program will not resolve this barrier but may provide funding to ~~cover~~offset these costs for some properties.

~~Starting July 1, 2025, and continuing through the end of 2029, all electric utilities must offer common facility cost treatment under the parameters described in this section. This policy (four-year common facility cost treatment) provides a maximum budget of $5 million each year; and any unspent funds may be carried over into the following years until fully expended or December 31, 2029, whichever comes first. Any funds not fully expended by December 31, 2029, shall be returned to ratepayers. Each utility shall establish a Balancing Account to track program expenditures. Utility administrative costs shall be capped at 0.25 percent of total expenditures, with the expectation that utilities will leverage existing utility portals and personnel. Each electric utility shall submit a Tier 1 Advice Letter within 60 days of the issuance of this decision to establish its Balancing Account. The $5 million annual funding shall be allocated proportionally across the electric utilities' service territories as follows:~~

Utility administrative costs shall be capped at 1 percent of total expenditures tracked in a sub-account within the balancing accounts established

under this program, with the expectation that utilities will leverage existing utility portals and personnel. Each participating electric utility shall submit a Tier 1 Advice Letter within 60 days of the issuance of this decision to establish its balancing account. The $5 million annual funding shall be allocated proportionally across the participating electric utilities' service territories as follows:

Table ~~4.3.1~~2:
Proportional Annual Allocation Amounts for Participating Electric Utilities to Establish Common Facility Cost Treatment Balancing Accounts ~~July 1, 2025 through December 31, 2029~~

Utility Name	Number of Residential Accounts	Number of Small Business Accounts	Funding Percentage	Funding Amount
~~Bear Valley Electric Service~~	~~23,097~~	~~1,328~~	~~0.20%~~	~~$9,827.50~~
~~Liberty Utilities~~	~~44,087~~	~~5,321~~	~~0.40%~~	~~$19,880.00~~
~~PacifiCorp~~	~~36,427~~	~~8,218~~	~~0.36%~~	~~$17,963.50~~
Pacific Gas and Electric Company	5,171,416	480,629	~~45.48~~45.92 %	~~$2,274,168.00~~ 2,296,059
Southern California Edison Company	4,621,605	538,525	~~41.52~~41.92 %	~~$2,076,240.00~~ 2,096,226
San Diego Gas & Electric Company	1,371,321	124,648	~~12.04~~12.15 %	~~$601,921.00~~ 607,715
TOTAL	**~~11,267,953~~ 11,164,342**	**~~1,158,669~~1, 143,802**	**100.00%**	**~~$5,000,000.00~~ 5,000,000**

Utility Name	Number of Residential Accounts	Number of Small Business Accounts	Funding Percentage	Funding Amount

Source: 2023 Energy Resource Recovery Account Compliance Proceeding. Decisions Approving the Return of Cap-and-Trade Program Funds for Electric ~~utilities;~~ Utilities (PG&E: D.~~23-12022~~23-12-022, SCE: D.23-11-094, and SDG&E: D.23-12-021~~, PacifiCorp: D.24-03-011, Bear Valley Electric Service: AL-479-E. For Liberty Utilities, Prepared Testimony submitted in Application 24-04-010~~). Small Business numbers taken from electric utilities' testimonies submitted to each docket.

~~To ensure the applicant customer has been made aware of and pursued all possible alternatives to service line upsizing, the electric utilities shall provide information about alternatives to service line upsizing as set out in Section 5 of this decision. This information shall be provided in a manner the applicant or applicant's agent is likely to naturally encounter during the application process, such as the service upsizing application portal or website. The electric utilities shall leverage existing studies and the body of work on alternates to electrical service line upsizing, and avoid deploying administrative resources or commissioning new studies.~~

The electric utilities are directed to inform applicant customers of all possible alternatives to service line upsizing, as outlined in Section 5 of this decision. The electric utilities shall provide this information through locations commonly used by applicants and their agents during the application process, such as the service upsizing application portals or websites. The electric utilities shall leverage existing studies and the established body of work on alternatives to electrical service line upsizing, and shall avoid deploying administrative resources or commissioning new studies for this purpose. To participate in this program, customers must sign a verification, as part of the application for this program, and confirm that: (1) all potential alternatives to upsizing were

reviewed and considered; and (2) no viable alternatives are available. Also see discussion set out below in Section 5.4.2.

5. Adopting Measures to Prevent Unnecessary Electric Service Line Upsizing

The Phase 4 Scoping Memo ~~directed parties to file~~sought party comments on whether the Commission should adopt measures to prevent unnecessary service line upsizing and, if so, what those measures should be.[~~24~~25] The Staff Proposal released with the Assigned ALJ's July 18, 2024 ruling addresses the aforementioned questions directed at parties as part of two distinct recommendations. Staff's recommendations are summarized below ~~before turning to~~, followed by party comments and the Commission's adopted course of action.

5.1. Summary of the Staff Proposal

The Staff Proposal ~~asserts~~explains that building decarbonization is an essential strategy to help California meet its goal of carbon neutrality by 2045~~. Ensuring all California buildings transition to all-electric end uses requires~~ and

[~~24~~25] Specifically, Attachment A of the Phase 4 Scoping Memo asked parties to comment on the following five questions: (1) Should the Commission require IOUs to test, certify, and evaluate different isolation technologies, approved in Resolution E-5194, including meter socket adapter technologies for non-isolating functionality in building electrification applications, such as heat pumps? (2) Should the Commission require IOUs to report peak annual and monthly electric demand of the premise on customer bills to help contractors determine whether service upsizing is necessary, and thus ensure service upsizing is pursued as a last resort? (3) Should the Commission require IOUs to collect proof a service line upsizing application was the last resort for the project, and that alternate strategies (load optimization, electrical panel optimization, etc.) were considered before submitting the application? If so, how should these safeguards be implemented and enforced? (4) If the Commission mandates IOU collection of service line capacity data, what is the best way for IOUs to begin collecting this data? Which of the existing mandates/processes requiring IOU staff to be on site (e.g., meter inspections) can the IOUs leverage to collect service line capacity for each premise? How can this be optimized for cost and procedural efficiency? (5) How should the IOUs determine whether a service upsizing request is necessary or unnecessary? What guidance, if any, should the Commission provide to define necessary and unnecessary service upsizing?

will require strategic planning that builds in equitable safeguards to minimize costs to all ratepayers, especially low-income customers. Substantial distribution system upgrade costs will be needed to meet the growing electricity demand from the rapid electrification of both buildings and vehicles. Helping customers avoid electrical panel and service upsizing has the dual benefit of reducing the cost of electrification to individual customers while reducing ratepayer bill impacts.

The Staff ~~Proposal's recommendations aim to support~~Proposal recommends strategies that allow customers to electrify their homes and vehicles within the existing capacities of their electrical panels and electrical services.[~~25~~26] The Staff Proposal recommends the Commission encourage alternatives to panel and service upsizing, where possible, using "panel and service optimization" strategies such as, but not limited to, employing power-efficient appliances (e.g., 120-volt heat pump water heaters (HPWHs) or low-amperage Level 2 EV chargers), smart panels, and circuit splitters and pausers.[~~26~~27]

The Staff Proposal presents two distinct recommendations: (1) electric utilities provide customers with peak demand and service line capacity information on their bills, and (2) the Commission ~~approve~~approves expanded cost recovery for utility safety evaluation processes of customer-owned, utility-interfacing devices to include applicable, non-electrically isolating devices.[~~27~~28]

[~~25~~26] Phase 4A Staff Proposal at 37.

[~~26~~27] *Id.* at 12-13.

[~~27~~28] *Id.* at 35.

~~The first recommendation seeks to make it simpler for customers and contractors to identify a customer's existing peak electrical demand over 15-minute and hourly intervals.[28]~~

~~Given~~The Staff Proposal notes that utilities currently have data from installed smart meters readily available~~, the Staff Proposal~~ and recommends electric utilities report the peak energy consumption in ~~kilowatt-hours (~~kWh~~)~~ and peak demand in amps over a 15-minute interval for two time periods: (1) the last 30 days, and, if applicable, (2) the last year ~~(if applicable)~~ from the billing date.[29]

The Staff Proposal ~~also~~ recommends electric utilities collect customers' service line capacity in amps when conducting any visits to customer premises. The Staff Proposal ~~also~~ recommends that the electric utilities ~~are to~~ gather such data in a database and report on customer bills to further aid customers and contractors to work within existing capacity constraints when electrifying ~~and~~to avoid unnecessary upsizing.[30] ~~Though this information is not readily available from electric utilities currently, it would be helpful for contractors and customers to understand the existing constraints and capacity of the service line and find ways to work within this existing capacity.[31]Requiring the electric utilities to provide customers with readily available peak demand data would make it easier for contractors to be able to advise when panel and service upsizing might not be avoidable.[32]~~

~~[28] *Id.* at 1.~~

[29] *Id.* at 1, 35.

[30] *Id.* at 2, 35.

~~[31] *Id.* at 35.~~

~~[32] *Id.* at 37.~~

The second recommendation ~~seeks to widen~~widens the pool of technologies available to customers to help avoid electrical service and panel upsizing.[~~33~~31] D.21-01-018 previously authorized the large electric utilities (i.e., PG&E, SCE, and SDG&E) to recover up to $3 million for safety evaluations of customer owned equipment that interfaces with utility infrastructure and can isolate a building from the grid.[~~34~~32] The Staff Proposal and this decision refer to these devices as "isolating devices."

The Staff Proposal recommends the Commission authorize the large electric utilities to also apply these previously authorized funds to evaluate the safety of technologically similar devices that do not have grid isolating capabilities, referred to in the Staff Proposal and in this decision as "non-isolating devices." The latter devices would also be customer-owned devices interfacing with utility equipment.[~~35~~33]

~~It also~~The Staff Proposal recommends the large electric utilities begin using the existing safety and reliability evaluation process for isolating devices adopted in Resolution E-5194 to evaluate non-isolating devices. ~~It is expected most, if not all,~~Most of the latter devices ~~will likely~~are anticipated to be meter socket adapters (MSAs), though the evaluation process for non-isolating devices should remain neutral to specific technology types.[~~36~~34]

~~Staff assert that allowing cost recovery for the large electric utilities to expand their approval process for MSAs and similar non-isolating technologies~~

[~~33~~31] *Id.* at 36.

[~~34~~32] D.12-01-018 at 79.

[~~35~~33] Phase 4A Staff Proposal at 36.

[~~36~~34] *Ibid.*

~~can help add another "tool" in the toolkit of panel and electrical service optimization strategies.[37]~~

~~These recommendations aim at reducing: (1) the costs of building and transportation electrification for customers, and to make these measures more accessible to low-income households, (2) delays for customers by eliminating the need to obtain permits and inspection approvals associated with upgrades to utility infrastructure, and (3) ratepayer impacts by avoiding additional utility spending for service line upsizing and further upstream distribution infrastructure.[38]~~

5.2. Capturing Customer Peak Demand Data and Service Line Size on Bills

5.2.1. Summary of ~~Opening Comments~~Party Positions

Parties were split on whether ~~to~~the Commission should mandate capturing customer peak demand data on customer bills.

The Joint Parties, SBUA, and SPUR ~~strongly~~ support Staff's recommendation to collect and make available 15-minute peak demand data to customers via bills and online portals. The Joint Parties and SBUA note this information ~~will~~could help contractors in assessing the necessity of service upsizing.[39][35] SPUR also supports this recommendation, suggesting the electric utilities provide peak demand as a single figure to simplify the process of utilizing the National Electrical Code (NEC) 220.87 pathway and eliminating risk

~~[37] Phase 4A Staff Proposal at 37.~~

~~[38] *Id.* at 3.~~

[39][35] Joint Parties Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15 and SBUA Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15.

of calculation errors, noting many contractors have "never performed 220.87 calculations."[40][36], [41][37]

SBUA notes the Staff Proposal focuses on residential buildings, and requests the Commission direct staff to prepare a similar study for small businesses to help better understand upsizing costs and "other considerations specific [to] small commercial customers," noting there are significant gaps in this type of information.[42][38]

VEIC and the Joint RENs also support ~~the idea of empowering~~providing contractors with peak demand data for panel upsizing avoidance, but caution that the Commission ~~should~~first weigh the ~~various~~ options to balance benefits and costs ~~before deciding on a solution~~. VEIC suggests the Commission "explore the feasibility of reporting approaches" to ~~ensure~~provide any "proposed solutions can be implemented in a simple and cost-efficient manner."[43][39] VEIC proposes ~~a possible solution of~~ disclosing consumption data across an electric utility's billing system, focusing on a "subset of customers who might require upsizing." The Joint RENs "question whether costly billing upgrades are necessary to achieve the intended purpose" of helping customers avoid upsizing, noting "existing data sources should be evaluated first, before consideration of costly electric utility system upgrades or billing changes."[44][40]

[40][36] SPUR Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 12.

[41][37] NEC 220.87 describes a method of calculating the load of an existing residential dwelling, which uses actual observed load of the building. NEC 220.87 requires peak hourly load data over a period of a year, or peak 15-minute load data covering at least 30 days.

[42][38] SBUA Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 5.

[43][39] VEIC Opening Comments on Phase 4 Scoping Memo at 6.

[44][40] Joint RENs Comments on Phase 4 Scoping Memo at 9.

PG&E and SCE ~~strongly~~ oppose the staff recommendations to put peak demand on customer bills due to the availability of 15-minute meter data and the cost of updating information technology (IT) and billing systems to accommodate this change. ~~SDG&E, noting it already provides this data on customer bills, opposes requirements for reporting peak demand in amps instead of kW, as is current practice.~~

~~Regarding availability of 15-minute data,~~ PG&E notes only 20.29 percent of PG&E customers "currently log 15-minute interval data," and the cost of enabling this functionality to all customers would be "tens of millions of dollars" in ~~information technology (~~IT~~)~~ expenses.~~"~~ PG&E notes it decided not to pursue this work because of the expense and other competing priorities.[45][41] SCE notes it had previously estimated that replacing all residential meters with 15-minute metering capabilities, in addition to upgrades to infrastructure needed to handle an increase in data volume, would cost $58 million and take approximately three years to complete.[46][42] SCE also argues peak demand on customer bills is not useful additional information given the predictability of loads for a residential dwelling~~; additionally, they assert~~, SCE contends its contractors can already use existing Green Button data[47][43] to access a customer's interval data.[48][44] SDG&E states it already presents peak energy consumption in kWh for the past 30 days and peak demand in kW for the past 30 days and past year on the customer's printed bill~~. SDG&E says the Commission's~~, and it opposes requirements for

[45][41] PG&E Opening Comments on Phase 4 Scoping Memo at 8.

[46][42] SCE Opening Comments on Phase 4 Scoping Memo at 4.

[47][43] Green Button data is information about a customer's energy usage provided in a consumer-friendly and computer-friendly format. Customers can download this data from their utility website's customer portal.

[48][44] SCE Opening Comments on Phase 4 Scoping Memo at 14.

reporting peak demand in amps instead of kW, as is current practice. SDG&E argues that requirements to have this data presented in amps is unnecessary, since contractors can convert from kW to amps, and ~~this~~such requirements would only add additional time and expense to SDG&E systems and processes.[4945]

Regarding placing peak demand data on bills, PG&E notes its billing system would require "massive IT development" to accommodate this change. PG&E ~~cites~~states that there have been numerous requirements to add information to customer bills to support decarbonization policies, but that these requirements have not been adequately coordinated, and resulted in inefficiencies and costly changes. PG&E points to CEC updates to the Load Management Standards as an example of such a requirement.[5046] As an alternative, PG&E suggests the Commission issue a ruling focusing on developing a comprehensive strategy and approach for using customer bills to disseminate information supporting Commission policies such as decarbonization. PG&E argues this would allow entities such as the CEC, contractors, electricians and others who might use this data to weigh in. PG&E also points out that placing any new data on bills should be considered in context of all billing content, since any new information might generate more confusion for customers. Lastly, PG&E argues a real-time solution would be more ideal,

[4945] SDG&E Opening Comments on Phase 4A Staff Proposal at 2.

[5046] The CEC updates and maintains the Load Management Standards. The most recent update to the Standards in 2022, and effective April 1, 2023, aimed to help customers manage their own energy use by giving them more timely and accurate information on the costs of electricity. The Standards are codified in the California Code of Regulations, Title 20, §§ 1621-1625.

since the ~~info~~information on the billing statement is already ~~out of date once it has been issued.~~[51]outdated upon issuance.[47]

On implementation timing, PG&E requests flexibility since it is focused on implementing its Billing Modernization Initiative[52][48] and has other billing improvement projects in its pipeline. PG&E also requests flexibility to seek cost recovery for any billing updates, since this would be ~~additional~~in addition to any activities requested through its General Rate Case.[53][49]

SCE puts forth similar arguments and opposes placing peak demand data on customer bills, noting this would create confusion. In addition to the costs ~~mentioned above related to~~of updating meters and IT systems, SCE ~~says~~argues that there would be other costs ~~needed to add~~of adding new information on customer bills, ~~educate~~educating customers, and ~~handle~~handling related customer inquiries at their Customer Contact Centers.[54][50]

SBUA supports Staff's recommendation that electric utilities collect service line capacity data and report this data on customer bills to help customers make informed decisions on service upsizing alternatives.[55][51]

PG&E, SCE, and SDG&E ~~all~~ oppose Staff's recommendation to collect service line ~~capacities and list this information~~capacity data and reporting that data on a customer's billing statement.

~~[51] PG&E Openings Comments on Phase 4A Staff Proposal at 3.~~

[47] PG&E Openings Comments on Phase 4A Staff Proposal at 3.

[52][48] Application 24-10-014.

[53][49] PG&E Opening Comments on Phase 4A Staff Proposal at 5.

[54][50] SCE Opening Comments on Phase 4 Scoping Memo at 4.

[55][51] SBUA Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 16.

PG&E states it has the capability to calculate a customer's service ~~wire~~line capacity in amps by testing the thermal limit for each conductor, but recommends this not be "tracked, monitored, or recorded on a customer's monthly bill" for fear of creating "unintended safety risks for those customers who presume their electrical system has capacity or excess capacity" and then add or connect load without consulting with PG&E. PG&E fears this will also create additional costs due to the need to dispatch emergency resources as a result of panel fires or other issues as a result of customers not working with PG&E to assess conductor cable capacity.[~~56~~52] If adopted, PG&E requests this requirement ~~apply only~~be limited to new customers, ~~since gathering~~noting that calculating service line data for ~~new~~existing customers would be impractical ~~due to the number of existing customers in their~~given the size of its service territory.[~~57~~53]

SCE ~~notes~~explains that a customer's service line size is already collected when ~~a panel upsizing is requested by a customer.~~ customers request a meter panel or service upgrade and that utility staff must still conduct a site visit to evaluate the ampacity rating of an existing wire or cable in response to customers notifying the utility of new or added load or installing a new meter panel.[54] Therefore, SCE contends, requiring SCE to develop new procedures and train field staff to collect service line capacity data whenever utility staff visit customer premises is unnecessary and will add costs to collect data "in situations where the data will not be used."[~~58~~55]

[~~56~~52] PG&E Opening Comments on Phase 4A Staff Proposal at 4.

[~~57~~53] *Id.* at 4-5.

[54] SCE Opening Comments on Phase 4 Scoping Memo at 15.

[~~58~~ SCE Opening Comments on Phase 4 Scoping Memo][55] *Id.* at 4.

SDG&E notes it does not make service line capacity data "readily available" to customers, and such new requirement would require "significant system upgrades and funding" to do so.[5956] SDG&E ~~points out~~explains that any customer requesting an upgrade can receive their service line capacity, and even if customers have this information, they must still consult with SDG&E to receive upgrades. Therefore, SDG&E argues this requirement is unnecessary, not "conducive to building decarbonization" and would be a "misuse of administrative and technological resources."[6057]

~~5.2.2. Summary of Reply Comments~~

The Joint Parties ~~concur~~agree with the Joint RENs, PG&E, SCE, and VEIC and assert that costly billing upgrades ~~may be unnecessary to communicate to~~associated with sharing the customers peak demand data~~, and~~ in the customer bills would be unnecessary; instead, they recommend ~~the Commission consider~~ directing the utilities to provide instructions on how to convert Green Button data into amp figures on utility websites as a "reasonable middle ground" approach. The Joint Parties assert "some burden on the utilities is warranted to ensure that a workable, accessible system is in place" for customers, which mirrors comments SBUA also allows.[6158] PG&E reiterates there is a "massive cost" associated with putting peak load data on customer bills and ~~concurs~~agrees with the Joint RENs~~' opening comments~~ that alternatives should be considered to deliver this information to customers in a more cost-effective way.[6259]

[5956] SDG&E Opening Comments on Phase 4A Staff Proposal at 2-3.

[6057] *Ibid.*

[6158] Joint RENs Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 4.

[6259] PG&E Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 3.

SCE ~~states~~argues that the Joint Parties' support for the Staff Proposal is based on the ~~false~~erroneous assumptions that peak demand data is readily available and that providing this data to customers will not be overly burdensome.[~~63~~60]

SCE agrees with PG&E's recommendation that the Commission obtain input from entities, such as contractors and the CEC, who would use peak demand information before requiring billing updates.[~~64~~61] SCE suggests a potential solution could be the creation of customer and contractor resources to avoid panel upsizing, as PG&E suggested in its opening comments.[~~65~~62]

CBIA disagrees with the electric utilities and supports both staff recommendations of collecting peak demand and service line capacity data, and placing this information on customer bills, noting it will give customers immediate access to important information to make decisions regarding decarbonization measures.[~~66~~63]

5.2.2. ~~5.2.3.~~ Discussion

While accessible peak load data may provide value to customers, on balance, the Commission declines to require billing system upgrades. As discussed below, the potential cost burden on ratepayers of such upgrades cannot be justified.

~~As noted by the parties, we are mindful of balancing competing interests. While there is the need for providing accessible peak load data for customers, we~~

[~~63~~60] SCE Reply Comments on Phase 4 Scoping Memo at 3-4.

[~~64~~61] *Id.* at 4.

[~~65~~62] *Ibid.*

[~~66~~63] CBIA Reply Comments on Phase 4 Scoping Memo at 2.

~~cannot ignore the potential costs of upgrading utility billing systems that ratepayers will ultimately shoulder.~~

~~As stated in the Staff Proposal and in party comments, providing easy access to peak demand data will make it easier for customers to use NEC 220.87 as an alternative method for calculating existing electrical loads, and thus potentially help customers avoid unnecessary and often costly panel and service upsizing.~~

SDG&E is currently the only utility reporting peak demand data in kW on customer bills. In weighing ~~these~~the competing interests, we are persuaded by SDG&E's contention that this information is sufficient, and that electric utilities need not report peak demand in amps, as contractors can perform this calculation.

PG&E and SCE~~, who~~ do not currently report peak demand data on customer bills~~, point to two main~~ and identify two significant categories of costs associated with implementing this recommendation: (1) ~~those related to~~ updating metering infrastructure and IT systems to ~~ensure~~provide all meters log and store 15-minute interval demand data; and (2) ~~those related to~~ updating billing systems and ~~implementing~~ billing changes to add this information to customer bills.

Regarding the first category of costs, it is ~~currently~~ unclear what the cost breakdown, process, and estimated timeframe for implementation would be for PG&E and SCE to ~~ensure~~provide that all their meters can log average demand measured over a 15-minute interval ("demand data"), and ~~that~~whether their IT systems can ~~handle the large~~accommodate the resulting increase in data storage. SCE notes that if it were to replace all residential customer meters with 15-minute metering alongside its planned efforts, starting in 2028, to replace

customer meters approaching their life expectancy, this would cost an additional $58 million and take three years to complete.[67] However, this estimate was made approximately two years ago, in January 2023, and does not contain a detailed explanation of costs.[64]

For the second category of costs related to billing changes, which several parties claim echo the concern that such billing changes will be expensive.

, and given the billing system updates PG&E is currently undertaking, we are convinced there may be a less costly alternative to communicating peak demand data to customers and their authorized third parties, such as via the existing online PG&E raises additional safety concerns, explaining that customers might incorrectly assume they can safely add load without consulting PG&E if their bills report service line capacity or peak demand values. This could lead to fire hazards or necessitate emergency utility responses. PG&E explains that customers could be misled into believing their premise can accommodate new load based solely on service line capacity, when such load could potentially have adverse impacts to secondary conductors and service transformers, thus causing a safety hazard. PG&E also notes that its existing customer-facing online portals already provide access to detailed energy use and billing data access portals.[68] However, it is also unclear what the cost, process, and estimated timeframe might be for PG&E and SCE to implement such updates to their existing online data exchange systems to include 15-minute interval demand

[67] SCE Opening Comments on Phase 4 Scoping Memo at 4.

[64] SCE Opening Comments on Phase 4 Scoping Memo at 4.

[68] PG&E: https://pge.com/en/account.html, SCE: https://sce.com/mysce/login, and SDG&E: "My Energy Center," https://myenergycenter.com/portal/PreLogin/Validate.

~~data.~~, and recommends leveraging these existing tools rather than mandating costly billing system upgrades.

We reiterate our support for ~~pathways~~ways to help customers safely avoid panel and service upsizing. However, we currently lack the necessary information to ~~weigh~~evaluate the costs and benefits of directing utilities to update meters and IT infrastructure to collect ~~and~~, store and share 15-minute interval demand data to share with all their respective customers. There are also other proceedings currently exploring the use and collection of metering data, ~~including~~such as R.22-11-013~~, where requirements around metering data may be explored~~.

In addition, as SCE ~~mentions~~explains, there are planned efforts for the electric utilities to replace meters approaching their life expectancy. ~~This is an ideal opportunity to ensure any new meters have the capability to capture more granular metering data. We therefore direct all electric utilities, including the SMJUs, consistent with submission in their next General Rate Case, to update any new meters installed on customer premises with the capability of capturing at least 15-minute interval data (usage and average demand). At this time, electric utilities are not required to begin collecting 15-minute interval data; but newly installed meters shall not require any further physical replacement, on-site intervention from utility staff, or software updates to ensure all electric utilities can easily begin collecting at least this 15-minute interval data in the future.~~We find the concerns presented by PG&E and SCE persuasive, particularly with respect to the combination of cost impacts and potential safety risks to customers. Accordingly, we will not direct any further action on meter replacements.

~~To~~Instead, to help the Commission better understand the costs and challenges of sharing 15-minute peak demand data with customers, we ~~direct~~

~~all~~will continue to explore these issues later in this proceeding. All electric utilities are directed to file a ~~Tier 1 Advice Letter,~~Compliance Filing on the docket of this proceeding and serve it on the service lists for this proceeding and R.22-11-013 within 90 days of the issuance of this decision, answering the following questions:

Customer Meters

1. How many customer meters are in your territory?
2. How many meters serve each of your respective customer classes (residential, commercial etc.)?

15-Minute Interval Data

3. How many meters in total and per customer class currently log at least 15-minute interval usage and demand data today?

4. How many meters in total and per customer class are currently capable of logging at least 15-minute interval data today, but are not currently logging 15-minute interval data?

   a. What actions and processes must the utility undertake to enable these meters to begin logging at least 15-minute data? ~~Please describe~~Describe in detail all the steps that need to happen, and describe who must take those steps (utility staff, third party contractors, etc.);

   b. Does this require multiple batches of changes? Does each make/model of meter require a separate over-the-air update? ~~Please describe~~Describe in detail; and

   c. How much time would be required to enable all the existing meters in this category to begin collecting 15-minute data?;

5. How many meters in total and per customer class require an over-the-air update to be capable of logging at least 15-minute interval data?

a. What actions and processes must the utility undertake to enable these meters to begin logging at least 15-minute data? ~~Please describe~~Describe in detail all the steps that need to happen, and describe who must take those steps (utility staff, third party contractors, etc.)

b. Does this require multiple batches of updates? Does each make/model of meter require a separate over-the-air update? ~~Please describe~~Describe in detail.

c. How much time would be required to complete over-the-air updates for all meters in this category to enable collection of at least 15-minute interval data?

6. How many meters in total and per customer class require on-site work (but not replacement) to be capable of logging at least 15-minute interval data?

7. How many meters in total and per customer class require replacement to be capable of logging at least 15-minute interval data?

True Peak Demand Data

8. How many meters in total and per customer class currently capture true (instantaneous) peak demand?

9. How many meters in total and per customer class are currently capable of logging true peak demand, but are not currently logging true peak demand?

a. What actions and processes must the utility undertake to enable these meters to begin logging at least 15-minute data? ~~Please describe~~Describe in detail all the steps that need to happen, and describe who must take those steps (utility staff, third party contractors, etc.)

b. Does this require multiple batches of changes? Does each make/model of meter require a separate over-the-air update?

c. How much time would be required to enable all the existing meters in this category to begin collecting true peak demand data?

10. How many meters in total and per customer class require an over-the-air update to be capable of logging true peak demand data?
    a. What actions and processes must the utility undertake to enable these meters to begin logging at least 15-minute data? ~~Please describe~~Describe in detail all the steps that need to happen, and describe who must take those steps (utility staff, third party contractors, etc.)
    b. Does this require multiple batches of changes? Does each make/model of meter require a separate over-the-air update?
    c. How much time would be required to enable all the existing meters in this category to begin collecting true peak demand data?
11. How many meters in total and per customer class require on-site work (but not replacement) to be capable of logging true peak demand data?
12. How many meters in total and per customer class require replacement meters to be capable of logging true peak demand data?
13. ~~If there are~~Describe any and all other actions that need to be performed that are not captured in questions 4-7 to enable capture of true peak demand data~~, please describe~~.

Data Storage and System Updates

14. ~~Please describe~~Describe in detail the data storage, network, application, and other system updates required to handle the collection of at least 15-minute interval data.
    a. What is the process for performing each of these updates?
    b. Who performs each of these updates?
    c. What is the approximate timeframe for making these back-end changes?

Green Button Data Updates

15. What type of IT infrastructure changes need to be made to ~~ensure~~allow 15-minute interval demand data can be shared with customers via Green Button data?

    a. Who needs to perform these changes? Can the electric utility perform this in-house, or does this require a third party?

    b. What is an approximate timeframe for being able to make these changes for customers?

In advance of the above discussed filing, each electric utility shall work with Energy Division to confirm their respective Compliance Filing includes all appropriate and necessary information responsive to the above-identified questions.

~~The above questions are not exhaustive, and the answers provided in each electric utility's respective Advice Letter may include additional information beyond what is specifically asked, as directed above. The electric utilities shall work with Energy Division to ensure their respective Advice Letter provides all appropriate and necessary information pertaining to the topics above.~~

~~PG&E mentions potential safety issues. PG&E, SCE, and SDG&E express concerns about costly billing updates required to report electric service line size on customer bills; however, we do not have sufficient information to assess the frequency of said risks and whether these risks outweigh the benefits of providing this data to customers.~~

~~Providing electric service line size information to customers is useful information. While reporting information on customer bills may be costly, we understand the importance of pursuing ways to find the least costly mechanism for communicating such information, and that we must consider whether communication through alternative channels would be more efficient and cost~~

~~effective. SCE and SDG&E state that after a customer applies for a service upsizing, utility staff will visit the customer's premise and then provide customers their existing service line size.[69] These comments seem to misunderstand the intention of providing service line sizes to customers in the first place: to help customers, electricians, and/or contractors understand the existing capacity of a premise's service lines and gauge if the customer can safely add load, thereby avoiding applying for a service line upsizing altogether. Customers should not need to apply for an upsizing before finding out their service size.~~

~~We direct~~Regarding collection of service line size, all electric utilities, including SMJUs, are directed to collect electric service line ~~sizes~~capacities for (1) any new electric service lines installed in new construction and (2) any electric service lines replacing existing electric service lines (e.g., in the case of safety replacements, upsizing services, etc.)~~, consistent with the requirement~~. The electric utilities shall report this information to the Commission in accordance with the requirements established in Section ~~4.3~~4.2 and Appendix A of this decision. ~~They shall collect this information during site visits that are already part of the service upsizing process, or other site visits that may be routine in utility procedures. The utilities shall record the electric service line sizes by service location and meter identification number and make this information available through a customer's online portal for customers to easily access. Starting in 2026, utilities shall also include in their annual reporting, as mandated by Resolution E-5105, the following information:~~

~~[69] SCE Opening Comments on Phase 4 Scoping Memo at 15 and SDG&E Opening Comments on Phase 4A Staff Proposal at 3.~~

PG&E, SCE, and SDG&E express concerns about costly billing updates required to report electric service line size on customer bills. All three large IOUs recommend seeking input from other entities such as the CEC and contractors to develop alternatives to requiring billing updates. We agree that there is insufficient information in the record to support a requirement that electric utilities include the electric service line size on customer monthly bills. Therefore, we do not require the large IOUs to do so.

- ~~Total Number of New Electric Services Lines Installed (# of service lines newly installed per category):~~
  - ~~< 100 amp~~
  - ~~100-124 amp~~
  - ~~125-149 amp~~
  - ~~150-174 amp~~
  - ~~175-199 amp~~
  - ~~200 amp~~
  - ~~200-299 amp~~
  - ~~300-399 amp~~
  - ~~400 amp or greater~~
- ~~Total of Electric Service Lines Replaced (# of service lines replaced per category):~~
  - ~~< 100 amp~~
  - ~~100-124 amp~~
  - ~~125-149 amp~~
  - ~~150-174 amp~~
  - ~~175-199 amp~~
  - ~~200 amp~~
  - ~~200-299 amp~~
  - ~~300-399 amp~~

~~o 400 amp or greater~~

5.3. Expanding Utility Safety Evaluation Processes to Non-Isolating Devices that Interface with Utility Metering Equipment

5.3.1. Summary of ~~Opening Comments~~Party Positions

All parties generally support Staff's recommendation to require the electric utilities to test, certify, and evaluate different non-isolation technologies, including MSAs, using the same process and funding as approved in Resolution E-5194.

The Joint Parties agree with Staff's recommendation~~, stating~~ and contend that providing alternatives to panel upsizing is a "common sense strategy to help minimize building electrification costs."[~~70~~65] SBUA similarly supports Staff's recommendation~~, noting~~ and argues that alternatives to electric panel upsizing can be more cost effective and can assist low-income customers in electrification efforts.[~~71~~66] The Joint RENs also support Staff's recommendation, but argue electric utilities should not receive a return on equity on the purchase and/or installation of any non-utility-owned, third-party behind-the-meter equipment such as MSAs, even if they may help prevent infrastructure upgrades.[~~72~~67]

CALSSA also ~~strongly~~ supports Staff's recommendation, but offers additional modifications. CALSSA ~~asserts~~argues that the Commission should explicitly name non-isolating MSAs as the "leading example of what [Resolution E-5194] funding is intended for" ~~to ensure~~so that the electric utilities would

[~~70~~65] Joint Parties Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15.

[~~71~~66] SBUA Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15.

[~~72~~67] Joint RENs Opening Comments on Phase 4 Scoping Memo at 9.

prioritize these devices and any other devices that can help avoid panel upsizing and aid in meeting California's decarbonization goals.[73][68]

CALSSA ~~also~~ urges the Commission to require electric utilities establish a "specific, criteria-based approach for MSA approvals" to mirror an approach other states have taken for approval of these products. CALSSA argues such an approach ~~will~~could lead to quicker approval timelines~~,~~ than the current evaluation process.[74][69] CALSSA contends the current one-off evaluation processes are "duplicative" and "time-consuming," and argues pilots for testing products can last longer than a full year.[75][70] SPUR ~~offers a similar recommendation and~~similarly proposes that the Commission direct the electric utilities to authorize MSAs that meet a certain set of specifications rather than requiring evaluations for each ~~individual~~ product.[76][71]

ConnectDER supports Staff's recommendation and contends "without a clear source of funding for evaluation efforts" of non-isolating devices, "progress has been slow" in utility evaluation efforts of these technologies.[77][72] ConnectDER ~~points out~~contends that non-isolating MSAs can reduce electrification timelines and lower decarbonization costs.[78][73] ConnectDER ~~further~~ proposes ratepayer funding should be used only to evaluate devices requiring explicit utility approval.[79][74]

[73][68] CALSSA Opening Comments on Phase 4A Staff Proposal at 2.

[74][69] *Id.* at 2-3.

[75][70] *Ibid.*

[76][71] SPUR Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 9.

[77][72] ConnectDER Opening Comments on Phase 4A Staff Proposal at 9.

[78][73] *Id.* at 5-8.

[79][74] *Id.* at 9.

ConnectDER ~~also emphasizes~~argues that Finding 16 of Resolution E-5194 should apply to non-isolating MSAs ~~as well~~. This Finding ~~asserts~~provides that the proposed evaluation process should be clarified "to indicate that customers will retain ownership of customer supplied equipment unless a utility clearly demonstrates a safety-based need for ownership to be transferred to the utility."[~~80~~75]

PG&E supports Staff's recommendation and agrees products like MSAs can reduce the cost of decarbonization for customers. ~~However,~~ PG&E also requests any additional devices eligible for testing "be specifically and deliberately limited to those which enable decarbonization."[~~81~~76] PG&E argues there are many types of MSA products, and that there will likely be more in the future. As such, specifying decarbonization-specific products will ~~ensure~~allow electric utilities ~~can~~to focus on ~~their~~ decarbonization goals.[~~82~~77]

Regarding evaluation timeframes, PG&E notes that while it has not been a problem thus far,[78] if more products require simultaneous evaluation in the future, ~~then~~ completing the evaluation under the timelines specified in Resolution E-5194 may not be possible. ~~Though PG&E notes this has not been a problem thus far.~~[~~83~~]SCE makes similar comments~~, noting~~ and argues that electric utilities should be given flexibility to adjust the timelines passed in Resolution E-5194.[~~84~~79]

[~~80~~75] *Id.* at 8; Resolution E-5194 at 23.

[~~81~~76] PG&E Opening Comments on Phase 4A Staff Proposal at 6.

[~~82~~77] *Ibid.*

[78] PG&E Opening Comments on Phase 4 Scoping Memo at 6.

[~~83~~] ~~PG&E Opening Comments on Phase 4 Scoping Memo at 6.~~

[~~84~~79] SCE Opening Comments on Phase 4 Scoping Memo at 6.

On coordinating safety evaluations and standards development across electric utilities, SCE requests Commission guidance and oversight on "scope and process" to forestall any antitrust concerns.[8580] SDG&E makes a similar request ~~of the Commission~~ and asks for specific language to direct electric utilities to coordinate on evaluation plans to reduce "duplicative efforts."[8681]

With respect to the types of technologies that should be evaluated, SCE requests the technology evaluation not focus on customer-owned and operated equipment lacking direct interfacing with a utility meter. SCE claims such technologies will require approval from the authority having jurisdiction, rather than from SCE, and therefore the utilities should not evaluate these devices.[8782]

On funding, SCE is the only party to request that electric utilities be given permission to follow the process outlined in D.21-01-018 to submit a Tier 2 Advice Letter to request additional funding, if needed, due to a potentially large increase in the number of devices that will need to be evaluated.[8883]

Several parties raised concerns regarding potential reporting and documentation requirements associated with expanding utility safety evaluation processes to non-isolating devices that interface with utility metering equipment. The Joint IOUs emphasized the need for clear standards and processes, cautioning against overly prescriptive reporting obligations that could become administratively burdensome or conflict with utility operational procedures. Similarly, CALSSA expressed concern that requiring documentation or reporting of non-isolating devices—especially those installed behind the meter—could

[8580] *Ibid.*

[8681] SDG&E Opening Comments on Phase 4A Staff Proposal at 4.

[8782] SCE Opening Comments on Phase 4 Scoping Memo at 6.

[8883] *Id.* at 5-6.

impose unreasonable burdens on contractors and potentially inhibit deployment of customer-sited technologies. PG&E, while generally supportive of additional safety review processes, likewise cautioned that any expanded scope of utility safety evaluation must be accompanied by clear guidance on reporting expectations. PG&E noted that undefined or inconsistent reporting requirements could create confusion for both utilities and customers, and recommended further stakeholder engagement before establishing such obligations.

Lastly, SDG&E seeks clarification that the technology review processes outlined in Resolution E-5194 ~~are the same processes that~~ will apply to the evaluation of non-isolating devices.~~[89]~~ that interface with utility metering equipment, and that no new or separate review procedures would be established for these devices. SDG&E emphasizes that applying the existing, Commission-approved processes from Resolution E-5194 provides consistency, leverages established protocols, and avoids unnecessary administrative burden.[84]

~~5.3.2. Summary of Reply Comments~~

~~The~~As to the reply comments, the Joint RENs and CBIA support CALSSA's recommendations ~~that~~to specify MSAs ~~be specified~~ as the intended target technology and that the Commission adopt a criteria-based approach to approvals.~~[90]~~[85]

SCE opposes CALSSA's recommendation for a specific, criteria-based approach and disputes CALSSA's characterization of the evaluation process as open ended, duplicative, and time-consuming. SCE asserts it formulates a testing

~~[89] SDG&E Opening Comments on Phase 4A Staff Proposal at 4.~~

[84] SDG&E Opening Comments on Phase 4A Staff Proposal at 4.

~~[90]~~[85] Joint RENs Reply Comments on Phase 4 Scoping Memo at 3-4; CBIA Reply Comments on Phase 4 Scoping Memo at 2-3.

plan based on "minimum safety and functional testing." Any additional testing, SCE says, is performed only if the data on certain products is insufficient or questionable.[91][86]

SCE disagrees with CALSSA ~~that the Commission should comment on~~' characterization regarding Finding 16 of Resolution E-5194 (regarding customer-owned equipment) ~~in this decision, and~~. SCE proposes, instead, that the Commission ~~should instead~~ consider ownership of non-isolating devices in its effort to assess cost recovery policies for zonal electrification and gas decommissioning in the Long-Term Gas Planning ~~OIR (~~proceeding, R.20-01-007~~)~~.[92][87]

On evaluation timeframes, CALSSA disagrees that SCE should receive an "open-ended timeline extension" for evaluating non-isolating devices; instead, CALSSA ~~believes~~supports PG&E's request for leniency on timelines when it needs to test multiple products simultaneously ~~is~~, as a more reasonable request.[93][88]

CALSSA and the Joint Parties support collaboration across electric utilities to reduce duplication of testing.[94][89]

5.3.2. ~~5.3.3.~~ Discussion

~~Given the broad support for Staff's recommendations and the potential benefits to customers and ratepayers, we modify D.21-02-018 and Resolution E-5194, directing the funding approved in D.21-01-018 and the technology~~

[91][86] SCE Reply Comments on Phase 4 Scoping Memo at 5.

[92][87] *Id.* at 5-6.

[93][88] CALSSA Reply Comments on Phase 4A Staff Proposal at 2.

[94][89] CALSSA Reply Comments on Phase 4A Staff Proposal at 1 and Joint Parties Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 8.

~~review processes specified by Resolution E-5194 to apply to non-isolating devices in addition to isolating devices. Similarly, we also modify the reporting requirements set forth in Resolution E-5194, which applied to isolating devices only, and we extend those reporting requirements to now apply to both isolating and non-isolating devices. These changes shall be effective immediately upon issuance of this decision.~~

Parties generally agree ~~with Staff~~ that non-isolating technologies, such as MSAs, can help customers add electrification loads without panel and service upsizing. ~~The Commission reiterates that, in scenarios where an electric utility's electrical infrastructure already exists and is already serving customers,~~We reiterate that service upsizing should be avoided unless necessary.

~~To clarify,~~This decision adopts and applies all requirements and processes outlined in Resolution E-5194 ~~now also apply~~ to non-isolating devices (e.g., MSAs with expanded DER capabilities). However, we clarify that we are not modifying Resolution E-5194; rather, we adopt its safety evaluation requirements—including confidentiality provisions—as the framework for evaluating non-isolating devices. These confidentiality provisions provide for safety assurances for customers and the system while protecting device manufacturers' proprietary designs and confidential data. The evaluation of non-isolating devices such as MSAs must remain subject to these same protections, including the ability to request confidential treatment for sensitive material provided during the evaluation process.

Utilities must evaluate and approve these non-isolating devices for safety and compatibility in the same manner as the isolating devices covered by Resolution E-5194. The funding approved in D.21-01-018 for evaluating isolating devices is extended to and authorized for evaluating non-isolating devices.

Consistent with Resolution E-5194, we clarify that ratepayer funding shall be strictly ~~used to evaluate~~limited to evaluating devices located upstream from a customer's main electrical disconnection point and requiring explicit utility approval for deployment.

We are persuaded by SCE that customer-owned and operated equipment not interfacing directly with a utility meter should not be evaluated via the Resolution E-5194 process. However, customer-owned equipment that does interface directly with utility equipment, such as MSAs, ~~would still need to be evaluated~~remains subject to evaluation via the Resolution E-5194 process.

We decline to narrow the eligibility of devices qualifying for evaluation testing in Resolution E-5194 to apply to MSAs only. Resolution E-5194 remains neutral on form factor of technologies to be evaluated, and ~~it shall maintain this neutrality, even~~remains so, with the inclusion of non-isolating devices. While most of the non-isolating technologies currently available are MSAs, we do not ~~want to~~ preclude future not-yet-known technologies from being able to participate in this evaluation process.

But ~~Similarly, while the Staff Proposal focused on the benefits of non-isolating MSAs for decarbonization purposes, we decline to narrow the eligibility of~~for these non-isolating devices ~~eligible for the evaluation process to be limited to~~, only devices that enable decarbonization~~. This would unnecessarily narrow the use cases for devices and may force the Commission to have to revisit this~~ shall be eligible for the evaluation process ~~in the future if other non-decarbonization use cases emerge as priorities.~~, thus ensuring~~We acknowledge that in the future, new non-isolating devices may emerge on the market and may require utility testing. If the large electric utilities receive a large influx of non-isolating devices requesting evaluation, we direct them, when~~

~~using the Resolution E-5194 evaluation testing queue, to prioritize those non-isolating devices that enable~~ that utility resources are dedicated specifically toward facilitating California's decarbonization ~~and distributed energy resources deployment over those that do not~~goals. These include, but are not limited to, devices that enable the addition of energy storage, solar panels, electric appliance loads, and EV charging.

We ~~decline to adopt~~reject CALSSA's proposal to develop a criteria-based evaluation. CALSSA expresses concerns that testing is duplicative and unreasonably long, especially for products certified by a testing laboratory.[95] ~~We are not persuaded, noting the process adopted in~~

The Resolution E-5194 ~~is intended to fill in gaps~~process we adopt today for non-isolating devices addresses scenarios where a formal evaluation standard does not yet exist, or where the use of a device in a utility's system is not adequately addressed in the device testing standard.[96] ~~As stated in~~ [90] Resolution E-5194~~,~~ acknowledges that Nationally Recognized Testing Laboratory "certification to applicable national safety standards does not address compatibility with a utility's equipment, standards, or operations."[97][91] Resolution E-5194 ~~specifically~~ requires the large electric utilities to have a clear purpose for any additional testing beyond that required by a Nationally Recognized Testing Laboratory, and to define the criteria or thresholds for passing these tests.[98] ~~Despite~~ [92] The claims of duplicative testing~~, no~~ are unsupported by specific

~~[95] CALSSA Opening Comments on Phase 1A Staff Proposal at 2.~~

~~[96] Resolution E-5194 at 10-11 and 16-17.~~

[90] Resolution E-5194 at 10-11 and 16-17.

[97][91] *Id.* at 16-17.

~~[98] In relevant implementation Advice Letters, SDG&E AL 3734-E-A, PG&E AL 6153-E-A, and SCE AL 4462-E-A all clarified that any additional testing performed by the IOUs would be~~

examples ~~have been provided of duplicative testing~~ of either Nationally Recognized Testing Laboratory or other utility testing.

Furthermore, pursuing criteria-based evaluation would necessitate developing appropriate criteria, which may unnecessarily delay evaluation of devices under the currently approved process.

We ~~also decline~~reject SPUR's request to direct the large electric utilities to authorize any devices meeting a minimum set of specifications, as ~~SPUR has not provided any detail as to~~there is insufficient support in the record for what these detail specifications should be. ~~This approach is also~~We acknowledge the need to conduct sound assessments and reaffirm that the Resolution E-5194 process includes defined evaluation steps and criteria developed by each utility based on safety needs. Although subject to the same concerns noted above ~~concerning~~regarding criteria-based evaluations, this approach provides for objective thresholds for each evaluation, even in the absence of uniform minimum specifications across device types.

Regarding the timeline to complete ~~evaluation~~evaluations, we are not persuaded by SCE that the large electric utilities should be given the ability to adjust the timeframes outlined in AL 4462-E-B and approved in Resolution E-5194 in anticipation of a greater volume of devices requiring testing. SCE has not provided any evidence ~~where~~that 90 calendar days ~~for evaluation was~~is

~~separate from Nationally Recognized Testing Laboratory testing. The IOUs state they will not repeat Nationally Recognized Testing Laboratory testing unless there are anomalies or concerns about test results. Resolution E-5194 at 6 also summarizes this point.~~

[92] In relevant implementation Advice Letters, SDG&E AL 3734-E-A, PG&E AL 6153-E-A, and SCE AL 4462-E-A all clarified that any additional testing performed by the IOUs would be separate from Nationally Recognized Testing Laboratory testing. The IOUs state they will not repeat Nationally Recognized Testing Laboratory testing unless there are anomalies or concerns about test results. Resolution E-5194 at 6 also summarizes this point.

insufficient. We do not see a compelling reason to change the timelines prior to encountering scenarios where these timelines cannot be met. We find PG&E's request that the large electric utilities be given more time to complete evaluations under specific scenarios, such as a large and sudden influx of device evaluation requests, to be more reasonable. We therefore decline to allow the large electric utilities to adjust the timeframes for the evaluation process established in AL 4462-E-B and Resolution E-5194. HoweverTherefore, on a specific scenario-by-scenario basis, the large electric utilities may request more time to complete an evaluation, after consultation with Energy Division Staff. Utilities shall filesubmit a Tier 1 Advice Letter specifying the reason for this extended evaluation timeframe request for a specific device and the new expected timeframe for completing the safety evaluation process. This shall apply to both isolating and non-isolating devices.

We do, however, expectConsistent with Resolution E-5194, we decline to adopt a time limit for the large electric utilities to conduct the field or pilot testing portion of the safety evaluation process, but we do expect them to work expeditiously to complete the evaluation of isolating and non-isolating devices. The Commission expects the large electric utilities to expedite testing to ensure that, if these devices meet safety standards, they have a quick and viable pathway to market. To help the Commission keep track of the progress of evaluation activities, we direct the large electric utilities to each submit Tier 1 Advice Letters regarding their evaluation activities.process.

For the entirety of calendar years 2025 and 2026, the large electric utilities shall submit these reports every three months, beginning July 15, 2025, for activity in the first two quarters of 2025. Starting January 15, 2027, each large electric utility shall file their respective Tier 1 Advice Letters annually on January

~~15 of each year until all approved funds are expended. These Tier 1 Advice Letters shall report on the following:~~

- ~~Which devices have the electric utility evaluated or are in the process of evaluating since the last reporting period?;~~
- ~~Where in the evaluation process is each device currently?;~~
- ~~Descriptions of evaluation activities for each device that have occurred since the last reporting period, and the duration of each of these activities; and~~

In response to comments by PG&E, we adopt PG&E's proposal to retain confidentiality protections. PG&E raised reasonable concerns that requiring quarterly updates and final device-specific evaluation reports to be publicly posted could compromise confidentiality agreements with manufacturers and deter their participation. We agree that ensuring manufacturer transparency and protection of proprietary information is vital to safety and innovation. Therefore, we adopt PG&E's proposal to maintain the confidentiality protections set forth in Resolution E-5194.

We also adopt PG&E's proposal for a public-facing website that will provide transparency without compromising confidential information. Each utility shall create and maintain a website specific to non-isolating and isolating devices. The website shall include a list of approved devices, user-friendly explanations of the testing and evaluation processes, and a portal for customers to request MSA installations. In addition, the site shall contain an FAQ section for device manufacturers highlighting the types of tests conducted, key considerations, and common areas of failure (to the extent such general trends are available). This targeted and secure transparency mechanism will help provide market certainty without jeopardizing manufacturers' proprietary data or creating competitive disadvantages.

The large electric utilities, jointly with the device supplier, shall file and serve on the service lists of this proceeding and R.19-09-009 a Compliance Filing, with copies emailed to the Commission's Energy Division at energydivisioncentralfiles@cpuc.ca.gov and buildingdecarb@cpuc.ca.gov:

(1) when a utility terminates the evaluation process for an electrical isolation device or technology without approving the device or technology for deployment, and

(2) when a product has been in the evaluation process for longer than six months and both the utility and the supplier agree that progress toward completion of the evaluation process has ceased.

~~• Anticipated evaluation activities in the upcoming reporting period.~~

Nothing in this directive requires public disclosure of information deemed confidential by the utility or the supplier.

Additionally, based on current practice for isolating devices, the large electric utilities must provide updates to the Commission, upon Energy Division's request, of all testing and evaluation activities. If appropriate, the large electric utilities may designate such updates as confidential, in accordance with Commission rules and the provisions set forth in Resolution E-5194.

SDG&E and SCE are correct in noting the large electric utilities must coordinate and collaborate on device evaluations. For devices undergoing safety evaluations~~, we reiterate the direction provided in Resolution E-5194~~: the large electric utilities must avoid duplicative testing, accept test results of other utilities for tests that are "agnostic to the unique characteristics of each utility system" and Advanced Metering Infrastructure, and coordinate where possible.[~~99~~93] We also ~~extend~~apply the direction provided in D.21-01-018 and Resolution E-5194 to

[~~99~~93] Resolution E-5194 at 5-6.

non-isolating device evaluations: the large electric utilities should coordinate and collaborate on their respective evaluation plans and eliminate duplicative efforts where possible.[10094] SDG&E AL 3734-E-A, PG&E AL 6153-E-A, and SCE AL 4462-E-A confirmed the large electric utilities will accept the results of each other's testing unless the tests are unique to a utility's specific system. This direction mitigates any antitrust concerns raised by SCE.

We direct the large electric utilities to submit Tier 2 Advice Letters when seeking additional funding for safety evaluations of non-isolating devices in the same manner set forth in D.21-01-018 for isolating devices.[95]

~~We uphold the direction provided in D.21-01-018 that allows the large electric utilities to submit Tier 2 Advice Letters requesting additional funding for safety evaluations, and that any additional funding for safety evaluations shall be applicable to both isolating and non-isolating devices.[101] This Tier 2 Advice Letter shall provide sufficient justification for any budgetary increases requested.~~

~~We add two additional requirements not ordered in Resolution E-5194. First, for all isolating and non-isolating devices evaluated, we direct the large electric utilities and suppliers to jointly serve on the proceeding service list an informational report to both this proceeding and R.19-09-009 (Rulemaking Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies), and to Energy Division at energydivisioncentralfiles@cpuc.ca.gov that includes the final evaluation report for every device either approved or not approved, or for which the evaluation process has ceased. The informational report for each device shall~~

[10094] D.21-01-018 at 79.

[95] *Ibid.*

[101] *Ibid.*

~~be served on the service list no later than 60 days after the evaluation process has concluded for the device.~~

~~Second, we~~We direct each large electric utility to publicly list on their website which isolating and non-isolating devices have ~~received utility approval~~been approved, within 180 days of the issuance of this decision. ~~Access to the website posting shall not necessitate a customer log-in.~~ ~~Additionally~~Without jeopardizing manufacturers' proprietary data or creating competitive disadvantages, the website ~~where these devices are listed~~ shall ~~be~~ :

- Include sections on the descriptions of the processes for testing and evaluating new eligible devices, user-friendly explanations of the testing and evaluation processes, resources for manufacturers to better understand the types of tests used to evaluate devices, considerations for manufacturers to keep in mind, and common areas of failure;
- Include a list of approved devices;
- Include an FAQ section for device manufacturers highlighting the types of tests conducted and key considerations;
- Link to a portal for customers to request device installations from the utility;
- Permit access without necessitating a customer log-in; and
- Host this list on a new landing page specific to these types of devices.

Each utility shall provide an updated list of approved devices within 10 business days of the approval of a device or removal of a device from the list. The large electric utilities must send notice to Energy Division at energydivisioncentralfiles@cpuc.ca.gov and buildingdecarb@cpuc.ca.gov concurrent with any website update regarding any newly approved device and change in approval status. The large electric utilities shall each submit a Tier 1 Advice Letter informing Energy Division as to how they have complied with these website requirements within 180 days of the issuance of this decision.

~~Together, these two~~These actions will help provide transparency for suppliers and customers to understand which devices have ~~and have not~~ been approved for use in each electric utility territory. As part of this Advice Letter, each utility shall indicate whether any general information required by this decision was not included on the public website due to confidentiality concerns; and although such information must still be disclosed to the Commission, the utility may request confidential treatment in accordance with Commission rules.

~~To ensure~~It is important to provide customers ~~better understand~~with information on how to facilitate the installation of these devices. Therefore, we ~~also~~ direct each of the large electric utilities to ~~file a Tier 2 Advice Letter within 90 days of the issuance of this decision to establish a new tariff supporting~~develop a proposal that supports the installation of customer-owned MSAs, both isolating and non-isolating~~, which shall~~. The new proposal must describe the process and requirements a customer must follow to install any MSAs approved through the ~~Resolution E-5194~~ safety evaluation process~~. We also direct each of the~~, including the types of premises where the MSAs can be installed, who may remove and insert meters, how customers can submit MSA installation requests, device ownership and responsibility, conditions in which the device must be removed, and how to handle unauthorized installations. If any utility has already made a filing that addresses the process and requirements for installing customer-owned MSAs, it shall update the filing as needed to conform to the directives described in this decision.

Any new proposed tariffs shall include a target time limit between when customers request installation and when the large electric utilities will install the MSAs. These time limits are intended to establish clearer expectations for customers and promote timely access to technologies that support

decarbonization and grid efficiency. Within 90 days of the issuance of this decision, the large electric IOUs shall hold a public workshop to present and discuss the new proposed tariff and solicit feedback from stakeholders.

The large electric utilities must begin reporting annually, beginning on April 15, 2026, on the previous year's data detailing each MSA installation and timeline for installation. This reporting is intended to provide transparency and accountability by tracking utility responsiveness and customer access to approved devices. The large electric utilities must refer to Appendix A for the full list of requirements and include this reporting as part of the annual reporting mandated under Resolution E-5105 as a Tier 1 Advice Letter, in accordance with the revised reporting timelines established in Section 7.2 of this decision.

The large electric utilities ~~to~~shall update their respective electric service requirement ~~manuals~~manual to include descriptions of customer-owned MSA installation processes and procedures~~. The large electric utilities shall~~, and within 180 days of the issuance of this decision, each file a Tier 1 Advice Letter ~~within 90 days of the passage of this decision, demonstrating~~to conform compliance with the aforementioned updates to their electric service requirement manuals.

In summary, we ~~modify and expand~~apply all aspects of the safety evaluation process and funding approved in Resolution E-5194 to ~~also apply to~~ non-isolating devices such as, but not limited to, MSAs. ~~If the large electric utilities receive a large volume of requests to evaluate~~For non-isolating devices, we ~~direct them to prioritize evaluating~~limit the evaluation process to devices that enable decarbonization (e.g., energy storage, solar panels, electric appliance loads, and EV charging)~~, but we do not limit the evaluation process to devices intended only to facilitate these end uses. For all isolating and non-isolating devices evaluated via the Resolution E-5194 process, the large electric utilities~~

~~and suppliers shall file joint informational reports to the service lists of this proceeding and R.19-09-009, and to Energy Division, that include their final evaluation reports~~. The large electric utilities ~~shall also file regular updates on their evaluation activities and shall~~must (1) list publicly on their website which isolating and non-isolating devices they have approved for customer use, (2) provide for newly approved devices or devices with changes to their approval status to be posted on their website within 10 business days, (3) inform the Energy Division when the website is updated to reflect a newly approved device or a change in a device's approval status, (4) provide resources on their website for manufacturers to navigate the evaluation process, and (5) provide that their website links to a portal for customers to request MSA installations. The large electric utilities ~~shall also propose a new tariff describing~~are directed to develop a proposal for how customer-owned MSAs ~~shall~~will be installed, ~~and shall make~~a maximum timeline by which the utility would install a requested MSA, and any corresponding changes to their electric service design manuals. This proposal must be submitted as Tier 2 Advice Letter and served on the following proceedings, R.19-01-011 (this proceeding), R.19-09-009 (Microgrids), R.21-06-017 (High DER), and R.24-01-018 (Energization).

5.4. Encouraging Service Upsizing Alternatives

5.4.1. Summary of ~~Opening Comments~~Party Positions

Parties were split on how to ~~ensure~~address verification that customers only pursue service upsizing after considering all other reasonable alternatives, such as the panel and service optimization strategies mentioned in Section 5.2.

PG&E and SCE oppose a requirement to collect proof that customers considered alternative strategies to avoid service upsizing. PG&E argues this extra step would add unnecessary complexity for customers and utilities, extend

timelines for service upsizing and may even discourage customers from electrifying their homes.[10296] PG&E also points out that collecting proof would be inconsistent with the current common facility cost treatment policy established for EVs as part of D.11-07-029 and renewed several times since.[10397] Instead, PG&E proposes providing educational materials to customers and contractors before an application for an electric service line upsizing is completed, which PG&E contends is the optimal time for intervention.[10498]

SCE similarly opposes the requirement to collect proof of customer consideration of alternatives to service upsizing, ~~stating~~and contends local governments, as opposed to utilities, have jurisdiction over electrical panel alterations, which subsequently affect service upsizing. ~~Because utilities do not have jurisdiction over a customer's panel loading decisions~~Accordingly, SCE argues it would be difficult for SCE as the utility to administer any requirement to collect proof of a customer's actions.[10599]

The Joint RENs also oppose requiring proof, and argue the Commission should "empower customers and contractors" to evaluate if service upsizing is "appropriate" or "reasonable" as opposed to "as a last resort."[106100] They argue there may be situations where alternatives to service upsizing may exist, but that these alternatives may be more complex, more expensive, or that the customer may want to add additional load on site. The Joint RENs ~~also point out that~~notes

[10296] PG&E Opening Comments on Phase 4 Scoping Memo at 9.

[10397] D.11-07-029 at 59.

[10498] *Ibid.*

[10599] SCE Opening Comments on Phase 4 Scoping Memo at 14.

[106100] Joint RENs Opening Comments on Phase 4 Scoping Memo at 9.

the "proof" in this situation is dependent on data held by utilities and distribution system operators, which are hard for customers to access.[107][101]

SPUR supports verification that alternatives have been considered, but only for single-family homes with existing service capacity between 100-199 amps. Such verification, SPUR argues, should also prove that switching from gas to electric end uses is the trigger for the upsizing. They suggestSPUR suggests requiring a contractor to fill out an attestation form to confirm having met the latter requirements.[108][102] SPUR argues single-family homes with an electric service line capacity under 100 amps, or multi-family units under 80 amps, should not be subject to this verification requirement and should automatically qualify for a panel/service upsizing.[109][103]

SPUR states any requirements for verification should be simple, not adding moreto minimize any added administrative burden. They referenceSPUR provides examples such as a contractor verifying a simple check list of other panel optimization strategies considered, and use of "customer panel optimization tools" already developed by several third parties to assist customers going through the electrification process. Lastly, SPUR offers an ideaproposes, similar to PG&E's, that utilities should "provide panel optimization tools and educational materials"[110][104] at "key junctures" throughout the electrification journey.[111][105]

[107][101] Joint RENs Opening Comments on Phase 4 Scoping Memo at 9-10.

[108][102] SPUR Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 13.

[109][103] *Id.* at 12.

[110][104] *Id.* at 13.

[111][105] *Id.* at 14.

VEIC ~~offers a~~proposes, similar ~~idea as~~to SPUR, ~~where~~that customers with electric service line capacities of 100-200 amps would submit applications with documentation showing that alternatives to service upsizing were considered, which ~~should~~would be completed by certified contractors on the site. ~~For~~Additionally, VEIC proposes for homes with less than 100-amp service~~, the home can~~ should automatically qualify for service upsizing. VEIC echoes the concerns raised by other parties that making the process overly complex runs the risk of alienating contractors from pushing electrification for their customers.[~~112~~106]

The Joint Parties also ~~argue~~support simple documentation ~~demonstrating~~ that an electric service line upsizing is triggered by a "qualifying electrification retrofit" may be useful. They point to similar documentation required for service line requests triggered by EV charging. The Joint Parties ~~also~~ support distributing educational materials on panel optimization strategies, and collecting attestations as part of the service line upsizing application process to confirm the applicant explored these strategies. Nonetheless, ~~as with SPUR,~~ the Joint Parties ~~emphasize~~urge minimizing administrative requirements on customers.[~~113~~107]

SBUA notes business owners will likely not opt for service line upsizing if an alternative is available.[~~114~~~~They suggest, however,~~ 108] SBUA suggests utilities should provide an energy audit that helps customers understand what energy efficiency upgrades can avoid upsizing. SBUA ~~also~~ proposes the utilities should

[~~112~~106] VEIC Opening Comments on Phase 4 Scoping Memo at 7.

[~~113~~107] Joint Parties Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 16.

~~[114] SBUA Opening Comments Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15.~~

[108] SBUA Opening Comments Phase 4 Scoping Memo and Phase 4A Staff Proposal at 15.

provide a one-stop shop for information on programs that a customer qualifies for, such as energy efficiency, demand response, and DER programs.[115][109]

5.4.2. Summary of Reply Comments

PG&E disagrees with SBUA's proposal of an energy audit or assessment during the service upsizing application process. PG&E considers this impractical and not cost-effective. PG&E reiterates its support for providing panel right-sizing education for customers and contractors while they are "still scoping out the project."[116][110]

SBUA agrees with SPUR that verification practices should be "streamlined" to avoid deterring customers from electrification, especially since many customers may be upsizing their services to accommodate new appliances replacing recently broken ones.[117][111]

The Joint RENs emphasize the utilities should intervene at different "touchpoints" in the service upsizing process to make contractors aware of workforce training offerings from utilities, RENs, community choice aggregators, and others. They note this would be an opportunity to make customers and contractors aware of customer programs and funding offered by these entities.[118][112]

5.4.2. 5.4.3. Discussion

As outlined in the Phase 4A Staff Proposal, service upsizing can be a costly and time-consuming process for customers and utilities. It is important to ensure service upsizing is pursued only afterthat other reasonable alternatives have

[115][109] *Id.* at 16.

[116][110] PG&E Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 3.

[117][111] SBUA Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 6.

[118][112] Joint RENs Reply Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 3.

~~been~~to service upsizing are considered before pursuing service upsizing; this reduces the overall volume of service upsizing requests.

As noted by several party comments, there needs to be more education provided to customers and contractors around alternatives to service upsizing. Panel and service optimization strategies and technologies are relatively new~~, requiring~~. The contractors, utility staff, and customers ~~to understand~~will need to be informed of these options and be able to provide information as to when they should be pursued, and to understand the benefits and limitations of these strategies. Given the novelty of these strategies, the Commission acknowledges the benefit of ensuring customers and contractors are fully aware of alternatives to panel upsizing.

Accordingly, within 180 days of the issuance of this decision or as soon as practicable thereafter, Energy Division staff will work with the TECH Initiative implementer to develop and maintain a website containing resources about alternatives to electric service and panel upsizing ("weblink"), and share the weblink with the service list of this proceeding ~~within 180 days of the issuance of this decision or as soon as practicable thereafter~~. The TECH Initiative implementer may leverage existing or upcoming studies and resources to minimize redundancies. For example, the CEC recently awarded a grant to support decision-making tools that help avoid electrical panel upgrades for single family homes; materials and outputs of this grant could be made available on the website.[~~119~~113] These resources must instruct customers and contractors on

[~~119~~113] *See* ~~https://energy.ca.gov/solicitations/2023-12/gfo-23-303-decision-tool-electrify-homes-limited-electrical-panel-capacity~~https://energy.ca.gov/solicitations/2023-12/gfo-23-303-decision-tool-electrify-homes-limited-electrical-panel-capacity.

how to comply with Electric Tariff Rule 3.C, which require a customer to immediately inform their electric utility of any changes in electrical load.

We also recognize creating and maintaining resources that keep up with industry innovations for alternatives to service upsizing comes with a cost. Creating and maintaining these resources centrally would be more ideal than requiring each utility to do so separately. The TECH Initiative is well-positioned to take on this task, as it already engages with multiple industry actors and customers to ease building electrification.

~~We direct all electric utilities, including SMJUs, to appropriately link and reference the weblink shared by the TECH Initiative implementer on utility websites within~~Within 270 days of the issuance of this decision, or within 90 days after the TECH Initiative implementers ~~shares~~share the weblink with the service list, whichever comes first~~. All~~, all electric utilities ~~shall encourage customers to consider alternatives to electric and panel upsizing and direct customers to this weblink~~, both large IOUs and SMJUs, shall link and reference the weblink shared by the TECH Initiative implementer on utility websites. The weblink shall be included on electric utility web locations customers are likely to visit in the process of requesting service line upsizing, such as on utility application web portals for service upsizing requests. These educational materials shall, at minimum, provide information to customers about the strategies and technologies discussed in the Phase 4A Staff Proposal (Section 5.1 of this decision) and authorized as new measures for AB 157 implementation (Section ~~8.3.3~~8.3.2 of this decision).

We direct all electric utilities to engage with service upsizing applicants about alternatives to service upsizing prior to any application submission~~, as proposed by SPUR, Joint Parties, and VEIC~~. There should be confirmation that

applicants reviewed these materials, but we acknowledge parties' concerns about the resources needed for collecting proof as to whether these options have been considered. We also acknowledge any steps added to the process should not add ~~unneeded~~undue administrative ~~burdens~~burden to applicants or costs to ratepayers.

~~As a middle ground, we direct all electric utilities, including SMJUs, to distribute the materials developed by the TECH Initiative implementer about alternatives to upsizing to all applicants. The~~In addition, the electric utilities shall also collect a simple attestation form from applicants confirming ~~having received~~receipt of the materials referenced above. We are not persuaded by some party comments that only certain customers, based on their existing service size, should be required to complete attestation forms. However, we recognize administrative simplicity is important, and that all applicants should be informed of these alternatives regardless of their service size. ~~We decline to require applicants to prove they are pursuing a fuel substitution measure (i.e., switching from a gas end use to an electric end use); this adds unnecessary administrative burden to the process.~~ Therefore, we direct all electric utilities to make this attestation form a requirement for all applicants seeking a service line upsizing, without requiring electric utilities to make distinctions between applicants based on existing service size or reasons for pursuing upsizing.

As ~~pointed out~~noted by several parties, educating customers and contractors before a service line upsizing application is submitted ~~would be~~is very important, and there should be broader education efforts for customers, contractors, and utility staff around alternatives to panel upsizing. Moreover, there is a need to explore how ~~to ensure~~ these strategies are incorporated into other programs and ~~trainings~~training, including workforce training programs.

~~We also~~Although we find SBUA's idea of a "one-stop shop" for electrification and customer programs compelling, ~~as it would educate customers more holistically about their options. This idea will need to be explored further in the future – in this proceeding or another~~we decline to adopt this proposal at this time.

6. Revisiting Aspects of D.23-12-037

The Phase 4 Scoping Memo directed parties to file comments on whether the Commission should modify the existing energization deadline for mixed-fuel new construction projects seeking electric line extension subsidies, which is currently established no later than 12 months after July 1, 2024, pursuant to Ordering Paragraph (OP) 5 of D.23-12-037, and, if so, under what circumstances.

Parties were ~~additionally~~also directed to comment on whether SDG&E should be ~~compelled to change~~directed to update their Tariff Rule 13 gas and electric rules in conformance with the other gas and electric utilities, noting that, unlike the other electric utilities, SDG&E did not make conforming changes to line extension subsidies for temporary facilities governed by Electric Tariff Rule 13 as a response to either D.22-09-026, Resolution G-3598 or D.23-12-037.

6.1. Modifying the Energization Deadline for Mixed-Fuel New Construction Projects Seeking Electric Line Extension Subsidies

6.1.1. Summary of ~~Opening Comments~~Party Positions

The Joint Parties oppose modifying the existing energization deadline for mixed-fuel new construction projects seeking electric line extension subsidies~~, stating~~ and explain the existing deadline "protects ratepayers from speculative or premature electric line extension applications that were submitted just before the

July 1, 2024 deadline."[120][114] Additionally, the Joint Parties note the challenge in determining what delays are genuinely outside of the developer's control[,] adding and explain that making such a determination "presents significant administrability challenges and should not be for the Commission to adjudicate."[121][115]

SBUA supports extending the existing energization deadline and states the current electric line extension process often results in delays beyond developers' control. SBUA refers to their suggestion in the lead-up to D.23-12-037argues that a legacy exemption should apply to "projects that obtained final local approval, such as zoning permits, or [in] instances where no zoning permit is required, building permits, before July 1, 2024" because such projects "may have been financed and scoped in expectation of obtaining the subsidies that existed under the policy in place at the time that project was finalized."[122][116] SBUA makes an alternative recommendation to narrowrecommends narrowing this legacy treatment window to include only "projects that obtained final local approval by the date of issuance of D.23-12-037 on December 14, 2023."[123][117]

SCE supports extending the existing energization deadline, concernedand raises concerns that (1) the deadline will result in "unfair outcomes and may cause disputes when developers believe a missed deadline was caused by the utility or otherwise outside the developer's control[.];"[124]SCE adds that [118] And (2)

[120][114] Joint Parties Opening Comments on Phase 4 Scoping Memo and Phase 4A Staff Proposal at 18.

[121][115] *Ibid.*

[122][116] SBUA Opening Comments on Phase 4A Staff Proposal and Scoping Memo at 18.

[123][117] *Ibid.*

[124] SCE Opening Comments on Phase 4 Scoping Memo at 17.

[118] SCE Opening Comments on Phase 4 Scoping Memo at 17.

the deadline ~~also~~ places undue pressure on utilities to process numerous projects in lesser time as developers push to meet their deadlines. ~~To address these concerns,~~ SCE therefore recommends "a six-month grace period for projects that have met the requirements outlined in the Phase 3B Decision, OP 5 (subsections a and b), on or before July 1, 2025."~~125~~119 This extension, SCE states, would prevent penalizing developers for unforeseen delays, such as material shortage in supply chain or permitting delays. They also recommend that any projects not completed within this grace period should be repriced without subsidies at actual cost, and utilities should not be held liable for the loss of these subsidies.~~126~~120

Sempra Utilities ~~strongly~~ support extending the July 1, 2025 energization deadline to "36 months after the invoice and contract deadline."~~127~~121 They state this extension would accommodate delays from factors such as material shortages, permitting issues, and project complexity. Sempra Utilities argue the current one-year deadline is unrealistic for many projects, especially larger or more complex ones, and extending the deadline would provide a fairer timeline for all customers.~~128~~122

~~6.1.2. Summary of Reply Comments~~

Sempra Utilities challenge the Joint Parties' assertion that developers that proceeded with mixed-fuel new construction assumed the risk of not recovering line extension costs if their projects were not energized by the July 1, 2025

~~125~~119 *Ibid.*

~~126~~120 *Id.* at 18.

~~127~~121 Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 17.

~~128~~122 *Id.* at 18.

deadline.[129][123] Sempra Utilities argue ~~this view narrowly~~that this concern by the Joint Parties applies to a narrow subset of developers and fails to consider the broader impact of D.23-12-037. ~~They argue such approach~~ Sempra Utilities also argue that adopting the Joint Parties' position—i.e., denying cost recovery for projects not energized by July 1, 2025—would provide only six months for the developers to complete the project and energize, including any necessary time needed to reconsider or adjust construction plans.[130][124] They ~~concur with SBUA's opening comments, which highlight~~agree with SBUA that many projects were planned with the expectation of subsidies remaining available under the policy at the time.[131][125]

Sempra Utilities disagree with ~~SCE's opening comments~~SCE that a six-month extension to the energization timeline is sufficient. They point to data reported in R.24-01-018~~, stating~~ and explain that "SCE's current average estimated energization timing for an Electric Rule 15 and 16 [project completion] is 268 business days,"[132][126] which is inconsistent with SCE's recommendation to extend the July 1, 2025 energization timeline by six months only. Sempra Utilities reiterate their recommendation of a 36-month extension would better accommodate delays and help customers either adjust to the loss of subsidies or redesign their projects.[133][127]

[129][123] Sempra Utilities Reply Comments on Phase 4 Scoping Memo at 2.

[130][124] *Ibid.*

[131][125] *Id.* at 3.

[132][126] *Id.* at 3-4.

[133][127] *Ibid* at 4.

6.1.2. ~~6.1.3.~~ Discussion

SBUA, SCE, and Sempra Utilities all support extending the energization deadline for mixed-fuel new construction projects beyond July 1, 2025, due to the potential for delays beyond developers' control. We are persuaded by these comments and find an extension of the energization deadline is reasonable.

We acknowledge SBUA's recommendation that mixed-fuel new construction projects with contracts fully paid for prior to the date that the Phase 3B Decision was adopted (i.e., December 14, 2023) should not be subject to any energization deadline. However, we find it appropriate to adopt an approach combining elements of SBUA's recommendation with Sempra Utilities' recommended 36-month extension.

~~We therefore allow~~Therefore, for mixed-fuel new construction projects with contracts approved and fully paid for prior to the implementation of the Phase 3B Decision, we allow them to have additional time to energize, by granting an extension up to 36 months from July 1, 2024 (i.e., the date of implementation of the Phase 3B Decision's core elements)~~, making the~~. The new energization deadline for these projects ~~no later than~~is June 30, 2027.

We acknowledge extending energization deadlines for mixed-fuel new construction projects will likely result in electric line extension subsidy payments that would otherwise have ultimately been forfeited by developers. To better monitor electric line extension subsidy expenditures for mixed-fuel new construction – especially after July 1, 2025 – ~~we find it appropriate~~it is necessary to change the reporting requirement established under OP 8 of D.23-12-037 to be both more frequent and more granular.

~~We require~~Beginning in 2025, PG&E, SCE, and SDG&E ~~to report~~shall submit reports to the Commission quarterly instead of annually ~~starting in 2025~~.

Calendar Year 2024 data shall be reported on May 1, 2025, as is the requirement currently, but data for 2025 onwards shall be reported quarterly. First quarter data shall be reported no later than July 15 of the same year,[128] second quarter data shall be reported no later than October 15 of the same year, third quarter data shall be reported no later than January 15 of the following year, and fourth quarter data shall be reported no later than April 15 of the following year, which aligns with the new reporting requirement deadline established in Section 7 below for all annual reports ordered as part of this proceeding.

Instead of reporting aggregated data for the quarter, data shall be disaggregated by month. In addition to the monthly data for their whole service territory, PG&E, SCE, and SDG&E shall also provide the same monthly data broken down by baseline territory and distinguish single-family data from multi-family data. Quarterly reports shall be submitted in spreadsheet format via the Tier 1 Advice Letter filing method established in D.23-12-037. PG&E, SCE, and SDG&E shall coordinate with Energy Division on a revised standardized reporting template.

The foregoing modifications to the data reporting requirements shall apply to all data required under OP 8 of D.23-12-037 and not be limited solely to electric line extension subsidy expenditures. In addition to electric line extension subsidy expenditure data, we take note of Sempra Utilities' argument that it is important to reference available data on energization timelines when making policy decisions. However, the energization timelines for SCE that Sempra Utilities ~~highlight~~ include numerous different steps, not all of which are relevant to the energization deadlines established in this proceeding.

[128] For example, PG&E, SCE, and SDG&E shall submit the first quarterly report (i.e., the report containing data for the first quarter of 2025) by no later than July 15, 2025.

For example, SCE's energization timeline includes an average of 45 days for "Customer Initiation," an average of 36 days for "Engineering & Design," an average of 138 days for "Dependencies," including "Site Readiness," and an average of 49 days for "Construction" to get to the grand total of 268 days on average for overall completion.[134][129] The energization deadlines set in this proceeding apply only to projects fully paid for before July 1, 2024[2027], which generally occurs [after]following completion of engineering and design work[is completed]. To better understand energization timelines in the context of this proceeding, [we require]PG&E, SCE, and SDG&[E to all include in their]E's quarterly reports must include additional data on the average number of days between when a contract for a building project is fully paid and when that project is energized. This data shall be computed for all projects reported as energized in each quarter.

6.2. Tariff Rule 13 Conformance Considerations

[6.2.1. Summary of Opening Comments]

The Joint Parties[135][130] and SBUA[136][131] support requiring SDG&E to change their Gas and Electric Tariff Rule 13 [gas and electric rules]in conformance with [the]other gas and electric utilities' tariffs. They both argue line extension allowance rules should be consistent across all electric utilities.

Sempra Utilities note that SDG&E submitted updates to Tariff Rule 13 on July 23, 2024, via Advice Letter 4478-E/3320-G.[137]

[134][129] *See* Response filed on April 22, 2024, in R.24-01-018.

[135][130] Joint Parties Opening Comments at 18.

[136][131] SBUA Opening comments on Phase 4A Staff Proposal and Scoping Memo at 18.

[137] [Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 23.]

~~6.2.2. Summary of Reply Comments~~

~~No reply comments were received on this topic.~~

~~6.2.3. Discussion~~

~~SDG&E submitted updates to their Tariff Rule 13 on~~ to conform with other gas and electric ~~rules to the Commission through Advice Letter 4478-E/3320-G on July 23, 2024.~~ utilities' tariffs.[132] SDG&E's Advice Letter 4478-E/3320-G has since been approved by Energy Division and is effective as of its filing date. ~~Hence, there is no longer any need for SDG&E to be compelled to file an update to~~Thus, the above issue regarding SDG&E's Tariff Rule 13~~. This issue~~ is now moot~~, and no further action in this proceeding is needed on this issue~~.

6.3. Additional Clarifications

6.3.1. Summary of ~~Opening Comments~~Party Positions

Some ~~party comments~~parties request changes to D.23-12-037 other than those concerning the energization deadline and the Tariff Rule 13 conformance ~~issue~~.

SCE requests the Commission establish a process where Energy Division share an annual update to SCE on all customers receiving an exemption from gas line subsidy elimination pursuant to ~~the exemption request process established by~~ OP 2 of D.22-09-026. SCE claims this information will help them prepare their systems and accommodate those customers.[~~138~~133]

Sempra Utilities request the Commission extend the ~~deadline of~~ July 1, 2024~~,~~ deadline for applicants seeking electric line extension subsidies for mixed-fuel new construction to sign their contracts and pay estimated electric

[132] Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 23.

[~~138~~133] SCE Opening Comments on Phase 4 Scoping Memo at 19.

line extension costs. They support allowing exceptions for customers who were in the design review approval process and missed the deadline. Sempra Utilities and argue that extending thethis deadline would offer more equitable treatment, as some developers suffered financial losses due to the short implementation timeline and challenges beyond their control.[139134]

Sempra Utilities further recommend modifying the implementation approach of actual cost billing by aligning the date of actual cost billing with the date of elimination of subsidies. They highlight the current misalignment would require substantial administrative work to update costs and contracts if customers miss the energization deadline.[140135]

Both SCE and Sempra Utilities urge the Commission to clarify various additional issues electric utilities are facing in the implementation of the Phase 3B Decision. On July 9, 2024, the large electric utilities jointly submitted Advice Letters (SCE AL 5331-E, PG&E AL 7320-E, and SDG&E AL 4468-E, respectively) to the Commission requesting clarification on the implementation of the elimination of electric line extension subsidies for mixed-fuel new construction projects pursuant to D.23-12-037.[141136] Sempra Utilities propose several recommendations to address administrative challenges and clarify criteria for receiving electric line extension subsidies. These include defining "mixed-fuel" based on contract obligations, excluding trench sharing as a mixed-fuel identifier, and seeking clarification on propane usage standards impacting electric subsidies. Sempra Utilities emphasizecontend that these changes are necessary to

[139134] Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 17.

[140135] *Id.* at 20.

[141136] SCE Opening Comments on Phase 4 Scoping Memo at 18.

streamline internal processes and provide customers with clear guidance, ultimately supporting the Commission's building decarbonization goals.[142][137]

Furthermore, Sempra Utilities repeat a request originally made by SDG&E in Phase 3B opening comments: the Commission shouldreraise SDG&E's prior request that we "take a more holistic approach in promoting decarbonization by examining a broader range of considerations and impacts of the policies that were to be addressed in this rulemaking."[143]They cite SDG&E's prior comments [138] and that if the Commission "intends to eliminate electric line extension subsidies on grounds of affordability or otherwise, it should not do so selectively and instead should consider eliminating all electric line extension subsidies for all new customers, subject to an exception or other reasonable accommodation for low-income housing."[144][139]

6.3.2. Summary of Reply Comments

No reply comments were receivedfiled on the above Section 6.3.1 topicsissues.

6.3.2. 6.3.3. Discussion

We declinereject SCE's request for Energy Division to provide an annual update on the list of customers that applied and succeeded in receiving the exemption from gas line subsidy elimination. Instead, we place the responsibility to inform electric utilities as to the disposition of an application requesting an exemption from the gas line extension subsidy elimination on the gas utility applicant. Any application for exemptions from the gas line extension subsidy

[142][137] Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 21 and 22.

[143] *Id.* at 3.

[138] *Id.* at 3.

[144][139] *Ibid.*

elimination requirement must be formally requested and approved by the Commission, such as in the pending PG&E application ~~on this topic~~ (A.24-07-002). If the Commission approves such an application for exemption, the gas utility that ~~submitted~~filed the application must inform other electric utilities – both investor owned and publicly owned utilities – active in their service territory as to the final disposition of the application and which customers are affected.

We ~~further~~ grant Sempra Utilities' request to extend the deadline for applicants to finalize contracts for mixed-fuel new construction projects that can still receive electric line extension subsidies. Although developers were given more than six months from the date of issuance of D.23-12-037 to finalize their plans, we acknowledge the final plans for some development may have been completed where contracts had not been finalized and there may not have been sufficient information on the end of the subsidies provided after commitments had been made and prior to finalization of contracts. ~~A successful transition to decarbonized new construction necessitates the Commission set a firm but fair timeline as to the date after which mixed-fuel new construction would no longer be eligible for electric line extension subsidies.~~

Regarding Sempra Utilities' concern about actual cost billing, the energization date extension granted under Section ~~6.1.3~~6.1.2 resolves and moots these concerns, as this decision extends the deadline for both energization and finalization of contracts to June 30, 2027.

Regarding SCE and Sempra Utilities' request to clarify various implementation questions relating to D.23-12-037, the request is now moot, as Resolution E-5352 dated December 19, 2024, addressed and disposed of the aforementioned Advice Letters addressing ~~the same~~these concerns ~~were~~

~~dispensed with pursuant to Resolution E-5352 on December 19, 2024. As such, the~~. The large electric utilities shall refer to that resolution ~~when determining how to implement the new electric line extension rules~~.

We decline to modify the definition of "mixed-fuel" new construction adopted in D.23-12-037, where we defined "mixed-fuel" new construction to mean "building projects that use gas and/or propane in addition to electricity." We reiterate the clarification provided in Resolution E-5352: "a new construction project that uses propane to power any appliance other than an outside grill is considered to be mixed-fuel and is not eligible for electric line extension subsidies after July 1, 2024." "Mixed-fuel" new construction does not include otherwise all-electric building projects that use a fuel other than gas or propane solely for backup electricity generation.

When determining whether new construction projects are "mixed-fuel," the electric utility is to consider each building within a project. For example, if a housing development includes all electric homes with a single structure such as a community center that is "mixed fuel," the electric line extension subsidies will not apply to the community center, but those subsidies will apply to the homes.

We are unpersuaded by Sempra Utilities' argument that eliminating electric line extension subsidies should not be done selectively. We are persuaded, however, by their position on the importance of examining a broader range of considerations, as well as examining the impacts of policies adopted in this proceeding. While it is appropriate to reconsider this proceeding's Phase 3B Decision (D.23-12-037) insofar as it declined to eliminate electric line extension subsidies for a broader range of buildings – notably existing buildings – today's decision does not change that position.

7. Modifications to Building Decarbonization Reporting Requirements

The Phase 4 Scoping Memo directs parties to identify ways to simplify reporting requirement procedures previously adopted in this proceeding.[145][140]

7.1. Summary of ~~Opening Comments~~Party Positions

PG&E opposes changing the current reporting timelines, stating it would create reporting complexity for 2025 reporting requirements creating either greater than, or less than, 12 months of data.[146][141]

SBUA supports aligning the reporting requirement deadlines on a single date but defers to the affected utilities to propose a single feasible date. ~~They also support~~SBUA supports data required under D.21-11-002 being made available on each utility's public website~~, stating~~ and opines that this data ~~is very~~would be helpful for customers to better understand the impacts of appliance usage on both their electricity demand and their electricity bills.[147][142]

SCE ~~prefers~~supports no change to the reporting deadlines ~~to stay as~~that are currently authorized~~, stating~~ and explains that multiple reports due at the same time cause resource constraints. ~~Nevertheless, if~~If the Commission decides to align all reporting deadlines, SCE requests it to be no earlier than September 1

[145][140] Parties were asked to comment on the following two questions: (1) Resolution E-5105 established a reporting deadline of September 1 of every year for various decarbonization-related data; D.21-11-002 established a reporting deadline of February 1 of every year for new customer data relating to appliance usage; D.23-12-037 established a reporting deadline of May 1 of every year for data relating to line extension requests and subsidies. Should the Commission align the reporting requirement deadlines to be delivered on a single date? Alternatively, should the Commission consider new dates for any particular reporting requirement? (2) Unlike in Resolution E-5105 and D.23-12-037, D.21-11-002 did not require new customer data relating to appliance usage to be posted to each IOU's respective website. Should such data be required to be posted to each IOU's public website?

[146][141] PG&E Opening Comments on Phase 4 Scoping Memo at 11.

[147][142] SBUA Opening Comments on Phase 4 Scoping Memo at 19.

of each year, to allow sufficient time to collect and analyze prior calendar year data. ~~They~~SCE also ~~request~~requests changing the deadline for any changes to annual reporting requirements from Energy Division Staff, as allowed by Resolution E-5105, from July 1 of each year to June 1 of each year. For public disclosure of data required under D.21-11-002, SCE states no one has ever reached out to SCE to locate these reports, and requests the Commission does not require these reports to be posted on a public website if they are not proving to be useful tool for stakeholders. SCE also requests the Commission establish either an end date for these reports or a mechanism to terminate these reports when no longer useful.[~~148~~143]

Sempra Utilities state SDG&E is neutral on reporting schedules, but note timelines may need re-evaluation for future additional reporting requirements.[~~149~~144]

~~7.2. Summary of Reply Comments~~

No reply comments were ~~received~~filed on the above Section 7.1 ~~topics~~issues.

7.2. ~~7.3.~~ Discussion

The Commission has adopted numerous different reporting requirements since January 2019.

The Phase 1 Decision (D.20-03-027 at OP 25) in this proceeding required large electric utilities to submit data and maps needed for program planning and assessment by September 1 of each year for the prior calendar year. The details and format of this requirement were set in Resolution E-5105,[~~150~~145] which adopted

[~~148~~143] SCE Opening Comments on Phase 4 Scoping Memo at 20 and 21.

[~~149~~144] Sempra Utilities Opening Comments on Phase 4 Scoping Memo at 23.

[~~150~~145] Resolution E-5105, issued Nov 19, 2020.

a spreadsheet format for electric utilities to report various confidential and non-confidential information regarding number of customers by rate type, age of premise, as well as information about certain gas pipeline infrastructure.

The Phase 2 Decision (D.21-11-002 at OPs 3 and 5), as well as Appendix C and Appendix D of the same decision, added further reporting requirements for the large electric utilities. Appendix C outlined information regarding other programs the large electric utilities must provide to the implementers and evaluators of the TECH Initiative, the BUILD program, and the Wildfire and Natural Disaster Resiliency Rebuild Program (WNDRR) program every six months. Appendix D laid out data collection and reporting requirements for the large electric utilities regarding prospective customer data on the type of water and space heating systems used, as well as propane usage on customer premises, with a reporting deadline of February 1 of each year.

The Phase 3A Decision (D.22-09-026) did not set any reporting requirements for the gas utilities. However, OP 8 of the Phase 3B Decision (D.23-12-037) required the three large electric utilities to report electric line extension expenditures and additional information relating to new construction starts by May 1 of each year for the prior calendar year.

To streamline reporting ~~across the various decisions of this proceeding,~~ and ~~to~~ make collected data ~~collected through them~~ more accessible, we align and adopt April 15 as the annual deadline for all reporting requirements discussed above. For any reporting required more than once annually, such as quarterly intervals, this April 15 deadline aligns with the close of the fourth quarter reporting for the prior calendar year and shall include annual summaries.

To address PG&E's concern regarding the ~~complexity of~~ 2025 reporting, we keep all previous reporting deadlines as is for 2025. Therefore, starting

April 15, 2026, the annual reporting deadline for Resolution E-5105, D.21-11-002, D.23-12-037, and the additional requirements established by today's decision shall be April 15 of each year, submitted via a Tier 1 Advice Letter. D.23-12-037 reporting shall be quarterly going forward, with the annual reporting aligning with April 15.

Based on SCE's comments, we establish the third year following the close of this proceeding as the sunset year for all building decarbonization proceeding reporting requirements set in this proceeding. The affected utilities (individually or collectively) may also request an earlier sunset by submitting a Tier 2 Advice Letter to the Energy Division. Resolution E-5105 does not obligate Energy Division to update reporting requirements every year, and requires electric utilities to continue reporting on previously established requirements unless directed otherwise. As such, ~~we find~~ the July 1 deadline for Staff to revise the Resolution E-~~5015~~-5105 data requirements ~~to be~~is moot. If requirements are changed, either through the resolution process or the formal proceeding process, we will continue to afford the electric utilities a reasonable amount of time to comply with the new requirements.

We are not persuaded by SCE's comments that ~~no one having reached~~a lack of anyone reaching out to SCE for appliance proliferation data~~, as evidence of lack of data usefulness. There are many reasons why that could have occurred, including industry stakeholders' and the public's failure to recall every reporting requirement from Commission decisions and failure to realize such data may be sought from SCE~~ equates to such data not being useful. Data reporting and data inquiries can be onerous and place a burden on the requestor to track down the correct contacts, define the purpose, and refine their request. A public disclosure of non-confidential data adds relatively little additional burden on the utility in

addition to a Tier 1 Advice Letter, but can be hugely transformative for the market, and informative for both industry stakeholders and the public.

Therefore, we require that, unless deemed confidential, the affected utilities shall make all building decarbonization proceeding-related reporting publicly accessible on their website, and notify the service list of this proceeding when information is updated. To allow for year-over-year comparisons, each electric utility shall retain all previously reported data until the reporting requirements sunset. Annual reports shall be submitted by each utility as a single Tier 1 Advice Letter, and once approved, posted on each electric utility's respective website, similar to the practice established under Resolution E-5105.[~~151~~146]

8. AB 157 Implementation

AB 157 allocated $40 million of the $71 million penalty paid by SoCalGas to the Aliso Canyon Recovery Account to the TECH Initiative for use solely in SoCalGas service territory. The bill directs funding to be spent as follows:

- Communities in the Aliso Canyon Disaster Area shall be granted priority for receiving funds;
- Funding shall be for both single-family and multi-family home electrification, and, in addition to being used for measures historically supported by the TECH Initiative pursuant to Section 922 of the Pub. Util. Code, may also be expended for additional new measures for enabling comprehensive building electrification, including energy audits, panel upgrades, and electrical wiring repairs;
- These funds may be used in combination with other funding sources, if available, to cover up to 100 percent of net participant and program costs;

[~~151~~146] Confidential data is submitted to CPUC's Energy Division via secure file transfer, while non-confidential version of the data is made available on the IOU website.

- Funds shall be prioritized for efforts that reduce winter natural gas demand from the Aliso Canyon natural gas storage facility, accelerate heat pump deployment, and provide equitable benefits to multifamily building residents; and
- The expenditure of funds shall not cause the displacement of tenants in upgraded rental housing units and shall be used to limit cost impacts on tenants.

The bill provides two additional clarifications:

- For the purposes of this item, "Aliso Canyon Disaster Area" means the City of Los Angeles communities of Porter Ranch, Granada ~~hills,~~Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa; and
- The funds in this Item shall be available for encumbrance or expenditure by the Commission until June 30, 2027, and shall be made available for liquidation until June 30, 2030.

The Assigned ALJ's Ruling issued on October 8, 2024, sought comments on the following six questions:

1. Should AB 157's new TECH Initiative funding be allocated to program costs, administrative costs of the implementer, administrator costs for the contractor agent, and evaluation costs paid to the program evaluator in a manner consistent with D.20-03-027 and D.23-02-005? Why or why not? If not, how else, specifically, and why should those allocations be made?
2. Regarding the new TECH Initiative funding, should the Commission retain or modify the requirement introduced by D.23-02-005 that 40 percent of all new program costs for activities must serve equity customers?
3. Is further clarification needed on what "additional new measures for enabling comprehensive building electrification" should be authorized by the Commission beyond "energy audits, panel upgrades, and electrical wiring repairs" for the TECH Initiative implementer? Why

or why not? If so, what should those additional new measures be?

4. What other programmatic changes should the Commission consider in order to effectively implement the new TECH initiative funding consistent with the requirements of AB 157 (e.g. how should "priority" be determined for receiving funds in the Aliso Canyon Disaster Area, how can the Commission ensure that the expenditure of funds shall not cause the displacement of tenants in upgraded rental housing units and shall be used to limit cost impacts on tenants, etc.)?
5. What, if any, new direction should be given to the TECH Initiative contracting agent to facilitate the transfer and accounting of the new TECH Initiative funding?
6. What, if any, new reporting requirements should be imposed on the TECH Initiative implementer regarding expenditure of the new TECH Initiative funding?

8.2. Budgetary Considerations

8.2.1. Summary of ~~Opening Comments~~Party Positions

Parties filed comments on whether the new TECH Initiative funding from AB 157 should maintain the same cost caps consistent with D.20-03-027 and D.23-02-005 for ~~program implementation~~administrative costs of the implementer (10 percent), program evaluation (2.5 percent), and contracting agent responsibilities (1 percent).

Cal Advocates states the cost caps should remain consistent with D.20-03-027 and D.23-02-005, noting what remains is 86.5 percent of funds for program costs, which include both customer incentives and additional programmatic expenditures (e.g., contractor training, quick start grants, loan loss reserve, pilots, etc.).[~~152~~147] Of those costs, Cal Advocates recommends placing a

[~~152~~147] Cal Advocates Opening Comments on AB 157 Ruling at 1.

cost cap of 6.5 percent on additional programmatic expenditures while reserving the remaining 80 percent of funding for customer incentives.[153148]

SCE recommends allocating the full 86.5 percent of program costs for customer incentives, emphasizing the need to scale up electric heat pump adoption in the state and asserting that funding should not be utilized for efforts like quick start grants, pilots, or loan loss reserve.[154149] SCE further recommends eliminating any further program evaluation, and instead directing that 2.5 percent of funding to program incentives.[155150]

CAC recommends 120-volt heat pump water heaters (HPWHs) be the only appliance supported with AB 157 funds. CAC argues HPWHs are the most cost-effective way to decarbonize the Aliso Canyon Disaster Area because they are less likely to necessitate panel upgrades, would maximize winter gas use reductions,[156151] and have a lower average cost than heat pump heating, ventilation, and air conditioning (HVAC) units.[157152]

CAC adds that its proposal to focus on 120-volt HPWHs would work by coordinating with LADWP to combine new AB 157 funds with its own rebates, and could utilize HEEHRA Program funds, as well.[158153] CAC also recommends the Commission require SoCalGas to distribute an e-mail and bill insert

[153148] *Id.* at 1-2.

[154149] SCE Opening Comments on AB 157 Ruling at 2.

[155150] *Ibid.*

[156151] CAC Opening Comments on AB 157 Ruling at 4.

[157152] *Id.* at 6.

[158153] *Id.* at 8.

announcement regarding the new AB 157 funds, which should be created by the TECH Initiative implementer, and not SoCalGas.[159][154]

VEIC recommends keeping the existing budget allocation caps established in D.20-03-027 and D.23-02-005.[160][155]

8.2.2. Summary of Reply Comments

In response to CAC, A.O. Smith agrees 100 percent of the AB 157 funds should be directed at HPWHs, but notes it should include all HPWHs regardless of their required voltage.[161][156] SoCalGas disagrees withopposes CAC's recommendation that the Commission shouldto require SoCalGas to distribute an e-mail and bill insert announcement regarding the new AB 157 funds.[162]They argue [157] SoCalGas argues utility bill inserts are an extension of the company's main business and operational funds, as they are generally intended to communicate information in a consistent manner to all customers and not within a specified geographical area.[163][158] SoCalGas further adds sinceexplains that AB 157 funding is limited to a subset of SoCalGas customers, and sending bill inserts to all customers would create unnecessary confusion for those ineligible for funding.[164][159]

LADWP recommends AB 157 funds be entirely allocated to downstream incentives in the form of direct customer rebates, excluding administrative costs. LADWP argues this approach maximizes the funds' impact by focusing on GHG

[159][154] *Id.* at 12.

[160][155] VEIC Opening Comments on AB 157 Ruling at 4-5.

[161][156] A.O. Smith Reply Comments on AB 157 Ruling at 2-3.

[162] SoCalGas Reply Comments on AB 157 Ruling at 1-2.

[157] SoCalGas Reply Comments on AB 157 Ruling at 1-2.

[163][158] *Id.* at 2.

[164][159] *Ibid.*

reduction and efficient community electrification efforts within the Aliso Canyon Disaster Area.[165][160]

VEIC disagrees with CAC that the AB 157 funds be used exclusively for the installation of 120-volt HPWHs, and argues that by constraining the program to a single technology solution, this may limit the TECH Initiative implementer from delivering on the other stated priorities of AB 157.[166][161]

8.2.2. ~~8.2.3.~~ Discussion

~~Many~~We are persuaded by many parties that support maintaining the existing budgetary allocations of 10 percent for program implementation and 1 percent for contracting agent responsibilities. ~~We are persuaded by these parties' comments.~~

Regarding program evaluation, we are not persuaded by SCE's argument that funding should be eliminated and reallocated for program costs. While it is necessary to direct funding first and foremost for scaling up the adoption of heat pump appliances through the provision of program incentives, we recognize AB 157 includes additional requirements not previously addressed in either D.20-03-027 or D.23-02-005, including (1) the prioritization to direct funding to communities in the vicinity of the Aliso Canyon natural gas storage facility, and (2) the requirement that the use of funds not result in tenant displacement. Given these additional requirements, maintaining 2.5 percent of the augmented budget for program evaluation is appropriate ~~and will ensure we learn new lessons from~~. This will allow for an after the fact assessment of the expenditure of AB 157 funds for these new purposes not previously authorized as part of the initial TECH Initiative.

[165][160] LAWDP Reply Comments on AB 157 Ruling at 2.

[166][161] VEIC Reply Comments on AB 157 Ruling at 7.

We are persuaded by SCE's ~~other~~ recommendation for new funds to be dedicated exclusively to customer incentives and not be utilized for additional programmatic expenditures like quick start grants, pilots, or loan loss reserve. However, we do not restrict the TECH Initiative implementer from continuing to provide workforce education and training, verifying income eligibility, and reporting natural gas demand reduction, as required by AB 157. For this latter effort, the TECH Initiative implementer will collaborate with the TECH Initiative evaluator. As such, we direct the TECH Initiative implementer to only utilize new program cost funding for customer incentives, the administration of tenant protections, ~~as well as~~ workforce education~~,~~ and training efforts, verifying income eligibility, and reporting natural gas demand reduction, as required by AB 157.

We ~~decline to adopt~~reject CAC's recommendation to dedicate customer incentive funding exclusively for 120-volt HPWHs. ~~Rather, we~~We share VEIC's concern that constraining program funding to a single technology solution may limit the TECH Initiative implementer's ability to deliver on AB 157's stated priorities. We also decline to adopt LADWP's recommendation to direct funding for downstream customer rebates, as AB 157 did not authorize such a change and Pub. Util. Code Section 922 states TECH Initiative funding must be directed exclusively for "the provision of upstream and midstream incentives."

We ~~further decline to adopt~~reject CAC's recommendation that SoCalGas distribute bill inserts and e-mail notices informing customers of available incentives. In addition to the $40 million provided by AB 157 to augment the TECH Initiative budget, the legislation provided an additional $2 million to the Commission's Equity and Access Grant Program "for community-based

organizations to provide education and outreach about building decarbonization, healthy homes, and related health impacts."[~~167~~162]

Consistent with legislative intent and to minimize duplication of efforts, ~~we direct~~ the TECH Initiative implementer ~~to~~shall coordinate with the Equity and Access Grant Program for outreach-related activities.

8.3. Equity Allocation

8.3.1. Summary of ~~Opening Comments~~Party Positions

~~Parties filed comments on~~On the issue of whether AB 157's new TECH Initiative funding ~~provided~~ should be subject to the same requirement introduced by D.23-02-005 that 40 percent of all new program costs must serve equity customers, parties took the following positions.

~~In their opening comments,~~ CAC and the Joint Parties both recommend initially setting the equity allocation to 100 percent with 3 areas of prioritization. More specifically, CAC recommends customers with incomes less than 80 percent of area median income in the Aliso Canyon Disaster Area be prioritized~~, followed by~~ first. The second priority group would be any customer in the Aliso Canyon Disaster Area becoming eligible for funding starting in January of 2026~~, and then~~. The final priority group would be any SoCalGas customer in LADWP service territory with an income less than 150 percent of area median income becoming eligible for funding starting in July of 2026.[~~168~~163]

The Joint Parties recommend exclusively funding customers with incomes at or below 80 percent of area median income, as defined by the California Department of Housing and Community Development (HCD). They state their

[~~167~~162] *See* AB 157.

[~~168~~163] CAC Opening Comments on AB 157 Ruling at 13.

recommendation will ease compliance with AB 157's requirement to prioritize funding for efforts that provide equitable benefits to multi-family building residents.[169164]

The Joint Parties contend that if the Commission continues to allow the TECH Initiative to use its current broad equity customer definition, then there needs to be more transparency as to how many households qualify as equity customers under this definition.[170165] They further add that the TECH Initiative should be required to publish datasets and maps showing which and how many households currently qualify as equity customers, and that if many middle- and high-income households are included in the equity customer definition, then the Commission should require the TECH Initiative to limit the equity customer definition to just DACs or low-income households.[171166]

The Joint Parties also note that D.23-02-005 set out "at a minimum, 40 percent of the TECH Initiative program costs to fund activities that serve equity customers." They add that this definition, which was established by the TECH Initiative implementer, captures a larger segment of households where some may be more affluent than their low-income neighbors. For example, the Joint Parties state just 14.5 percent of appliance incentives through the TECH Initiative have gone to DAC households, which is a metric used by numerous programs and agencies to allocate funding and target Californians most in need.

[169164] Joint Parties Opening Comments on AB 157 Ruling at 3.

[170165] The TECH equity community definition includes DACs, income-qualified customers (e.g. CARE/FERA/ESA), hard-to-reach, affordable housing (at least 66 percent of living units have incomes below 80 percent the area median, or live in a deed-restricted housing unit; or live in a subsidized deed-restricted housing unit), and low-income household or low-income community, and low-income and ½ mile from a DAC, both as defined by California Climate Investment's Priority Populations. *See* TECH website, https://TechCleanCa.com.

[171166] Joint Parties Opening Comments on AB 157 Ruling at 6.

The Joint Parties state the 14.5 number was obtained by analyzing publicly available data available on the TECH website.[172][167]

~~To ensure more than 14.5 percent of funding goes to DACs, the~~The Joint Parties recommend allocating new AB 157 funding toward a low-income direct install program and pilots akin to the low-income San Francisco direct install programs and pilots. The Joint Parties contend that would provide more funding to low income customers than the current 14.5 percent. They argue this will ~~ensure that~~provide opportunities for equitable electrification ~~occurs~~ and that a direct install program would make it easier to target the communities in the Aliso Canyon Disaster Area.[173][168]

On the other hand, LADWP, ConnectDER, PG&E, Cal Advocates, SCE, and VEIC recommend maintaining the same 40 percent equity community percentage found in D.23-02-005. LADWP asks to prioritize disadvantaged and income-qualified customers affected by the Aliso Canyon incident.[174][169] Cal Advocates goes further by asking the Commission to limit the equity community definition to DACs, CARE and FERA, hard-to-reach customers, and residents of affordable housing, with distinct allocations for customers who qualify under criteria other than being low-income.[175][170]

~~**8.3.2. Summary of Reply Comments**~~

[172][167] Joint Parties Opening Comments on AB 157 Ruling at 3-4.

[173][168] *Id.* at 5-6.

[174][169] LAWDP Reply Comments on AB 157 Ruling at 3.

[175][170] Cal Advocates Opening Comments on AB 157 Ruling at 4.

CAC supports the Joint Parties' recommendation that the Commission allocate the AB 157 funds to a direct install program to ~~ensure~~provide access for low-income customers.[176][171]

~~In response to the Joint Parties' support for a 100 percent low-income direct install program and Cal Advocates' support for creating distinct allocations for customers who qualify for incentives under criteria other than being low-income,~~ VEIC notes a direct install program is a clear pathway to serving customers if comprehensive building electrification is deemed to be the primary priority of AB 157.[177]

[172] VEIC adds that comprehensive building electrification devotes more resources to fewer customers than single-measure approaches, which would help accelerate heat pump deployment, reduce winter natural gas demand from Aliso Canyon, and prioritize communities in the Aliso Canyon Disaster Area. ~~They~~VEIC then ~~suggest~~recommends a mixed portfolio of incentives encompassing direct install incentives, single-measure equity incentives, and single-measure market rate incentives may be best in optimizing all priorities articulated in AB 157.[178][173]

VEIC agrees with the Joint Parties' argument that the TECH Initiative's "equity community" definition for AB 157 be directed toward a low-income direct install program, and notes low-income customers should be prioritized. VEIC adds that if the Commission should determine that the AB 157 funding be subject to additional equity requirements, VEIC recommends the Commission

[176][171] CAC Reply Comments on AB 157 Ruling at 4.

[177] ~~VEIC Reply Comments on AB 157 Ruling at 5.~~

[172] VEIC Reply Comments on AB 157 Ruling at 5.

[178][173] *Ibid.*

consider implementation feasibility. For example, VEIC states utilizing existing equity definitions ~~ensures~~provides consistency and allows the public and participating contractors to understand qualification requirements.[~~179~~174]

8.3.2. ~~8.3.3.~~ Discussion

~~To help ensure the~~The new AB 157 funding ~~benefits~~is intended to benefit the greatest number of customers, and ~~keeps administrative costs down, we decline to~~the greatest number of customers in need of support for decarbonization efforts. This decision increases the TECH Initiative equity requirement from 40 to 50 percent for AB 157 funds. This will provide more funding to support the most vulnerable customers in the area to be served by these funds. We do not direct the TECH Initiative implementer to create a direct install program in the Aliso Canyon Disaster Area~~. However, as recommended by CAC, Cal Advocates, and Joint Parties, the equity customer definition requires more specificity to ensure funds are going to customers with the most need. As such, we direct the TECH Initiative implementer to require that a minimum 40 percent of all~~, which would require a fundamental change to the program costs be limited to~~ .

The CEC's HEEHRA and EBD programs also target single-family low-income households with ~~incomes~~income at or below 80 percent ~~of the~~ area median income, as ~~defined by HCD.~~[~~180~~]well as multi-family~~Further, because the CEC's HEEHRA and Equitable Building Decarbonization (EBD) programs also target~~ low-income households with ~~income~~at least 66 percent of occupied living units at or below 80 percent of area median income, ~~we believe~~and allow

[~~179~~174] VEIC Reply Comments on AB 157 Ruling at 6-7.

[~~180~~] ~~For the context of AB 157 within this decision, "low-income" is defined as households with incomes at or below 80 percent of the area median income, as defined by HCD.~~

categorical eligibility. Accordingly, using the same eligibility criterion will improve alignment across the three programs. ~~We further~~The TECH Initiative implementer will use this guidance to meet the 50 percent carve-out for equity customers. We also direct the TECH Initiative implementer to verify the incomes of all participants ~~to ensure only true low-income customers qualify for the equity funding allocation.~~[181] [175]

We ~~are not persuaded by~~reject the Joint Parties' recommendation to require the TECH Initiative to publish datasets and maps demonstrating which and how many households qualify as equity customers. ~~We do not see the value of imposing these requirements on the TECH Initiative implementer, as they have already been doing this reporting.~~ As for reporting on which specific households qualify as equity customers, ~~while it may constitute an invasion of privacy,~~ the TECH Initiative implementer already publicly reports installation data at the city level ~~with at least one hundred participants to minimize identification of customers and contractors.~~[182] [176] Moreover, the implementer also already visually reports installation data on the TECH Initiative's data reporting website.[183][177]

~~[181] Income-verification by the AB 157-funded TECH Initiative may not be needed if households' incomes are being verified by the CEC's HEEHRA or EBD programs.~~

[175] Income-verification by the AB 157-funded TECH Initiative may not be needed if households' incomes are being verified by the CEC's HEEHRA or EBD programs.

~~[182] TECH Public Reporting Download Data, https://techcleanca.com/heat-pump-data/download-data/.~~

[176] TECH Public Reporting Download Data, https://techcleanca.com/heat-pump-data/download-data/.

~~[183]~~[177] *Ibid.*

8.4. Authorization of New Measures

8.4.1. Summary of ~~Opening Comments~~Party Positions

Parties provided ~~comments~~recommendations on whether further clarification is needed on what additional new measures for enabling comprehensive building electrification should be authorized by the Commission beyond energy audits, panel upgrades, and electrical wiring repairs.

ConnectDER recommends the Commission authorize MSAs as an additional measure.[~~184~~178] ConnectDER contends these can help avoid panel and/or electric service line upgrades, and reduce the time "required to add clean generation or new electric load to an existing service by reducing the complexity and time to complete installation and limiting the work done inside customer premises."[~~185~~179]

SPUR also recommends the Commission authorize MSAs and direct the TECH Initiative implementer to encourage or require contractors to use panel optimization planning processes and tools, explore options for incentivizing the use of load management technologies and power efficient equipment when possible and necessary to avoid panel upsizing costs, and limit subsidies for panel and service upgrades to households with under 200-amp service.[~~186~~180]

PG&E recommends the Commission authorize new AB 157 funding to cover electric service line upgrades due to increased electric load from building

[~~184~~178] ConnectDER Opening Comments on AB 157 Ruling at 3.

[~~185~~179] *Id.* at 8.

[~~186~~180] SPUR Opening Comments on AB 157 Ruling at 7-9.

electrification equipment, and explains such upgrades are a cost barrier to electrification retrofits for customers.[187][181]

Cal Advocates and SCE both recommend the Commission withhold expansion to new measures. If new measures are authorized, however, Cal Advocates states those new measures should contribute to market transformation efforts for clean heating technologies,[188][182] with SCE specifying electric clothes dryers and induction cooking appliances, for example, be made eligible as long as funding is prioritized for the highest GHG reduction potential technologies like heat pump space and water heaters.[189][183]

VEIC recommends the Commission adopt the same measure list[190][184] for "comprehensive building electrification" as was adopted by the CEC for the EBD program, noting the Commission should establish that comprehensive building electrification is not required for all AB 157-funded projects.[191][185]

~~8.4.2. Summary of Reply Comments~~

CAC agrees with SPUR's approach to electrification in avoiding panel upgrades and right-sizing electric appliances, and argues that focusing solely on installing 120-volt HPWHs would help avoid costly panel upgrades.[192][186]

[187][181] PG&E Opening Comments on AB 157 Ruling at 1- 2.

[188][182] Cal Advocates Opening Comments on AB 157 Ruling at 4-5.

[189][183] SCE Opening Comments on AB 157 Ruling at 4.

[190][184] *See* Equitable Building Decarbonization Direct Install Program Guidelines submitted to the CEC on October 23, 2023, Docket Number 23-DECARB-03, at 13-17.

[191][185] VEIC Opening Comments on AB 157 Ruling at 6.

[192][186] CAC Reply Comments on AB 157 Ruling at 10-11.

PG&E supports ConnectDER's proposal to authorize MSAs, but highlights that all MSAs must be subject to testing, evaluation, and piloting, as described in AL 6687-E.[193][187]

As for expanding the list of eligible measures necessary to enable comprehensive building electrification, CEJA supports alignment with the EBD program. CEJA notes that expanding eligible measures in such a manner would especially benefit low-income households who struggle to access whole home electrification upgrades.[194][188]

8.4.2. ~~8.4.3.~~ Discussion

We are persuaded by ConnectDER's recommendation to add MSAs as an additional measure, as doing so has the potential to help avoid additional costs in panel and/or electric service line upsizing. We are also persuaded by SPUR's general recommendations that there should be incentives for the use of load management technologies and power efficient equipment when possible and necessary to avoid panel and electric service line upsizing costs. Therefore, we authorize the use of funds for MSAs, smart splitters, and any other load management device (being sure not to duplicate any available incentives) that can be deployed to avoid the need for panel and/or electric service line upsizing.

The Commission agrees with PG&E ~~is correct~~ that MSAs must be subject to testing, evaluation, and piloting as described in AL 6687-E~~, but we note~~. At present, this ~~currently~~requirement applies only to isolating load management devices. As set forth above this decision applies these same requirements to non-isolating load management devices. This decision expands this process and authorizes the remainder of the $3 million previously dedicated to funding these

[193][187] PG&E Reply Comments on AB 157 Ruling at 1.

[194][188] CEJA Reply Comments on AB 157 Ruling at 2-3.

safety evaluations via D.21-01-018 (Adopting Rates, Tariffs, and Rules Facilitating the Commercialization of Microgrids per SB 1339) to apply to evaluating non-isolating devices such as MSAs that can help avoid electric service line upsizing. This expansion of funding authority is consistent with the Staff Proposal,[189] which recommended allowing the large electric utilities to apply the previously authorized $3 million from D.21-01-018 to technologically similar non-isolating devices that interface with utility infrastructure.

PG&E's comments regarding cost barriers to electrification retrofits in the form of electric service line upgrade expenses are informative. We are mindful, however, that doing so could expend AB 157 funds rapidly while aiding only a limited number of customers. We therefore decline to include measures offsetting the cost of electric service line upgrades that could be triggered due to adoption of building electrification measures. MSAs and related devices should be the first recourse of customers electrifying their homes, and the cost of a necessary service line upsizing can be covered using the new funding authorized for eligible under-resourced customers as discussed in Section 4 of this decision.

Cal Advocates and SCE make an important point~~:~~ that even if the list of eligible measures is expanded, the TECH Initiative should still prioritize the market transformation of clean heating technologies with the highest GHG reduction potential. As such, ~~we direct~~ the TECH Initiative implementer ~~to~~shall use the new AB 157 funds to prioritize incentivizing heat pump space and water heaters for market rate customers while authorizing the expansion of eligible measures for low-income customers. While all customers regardless of income status ~~shall be~~are eligible to receive incentives for MSAs, smart splitters, and

[189] Phase 4A Staff Proposal at 36.

other load management devices using the new AB 157 funding, ~~we direct~~ the TECH Initiative implementer ~~to~~shall use the measure list[~~195~~190] developed for "comprehensive building electrification" for the CEC's EBD program for customers in the Aliso Canyon Disaster Area communities who have incomes at or below 80 percent of area median income.

This approach will ~~ensure~~further support the market transformation of heat pump space and water heaters ~~continues to occur, and the list of eligible measures is expanded to~~, and help avoid costly utility service upgrades ~~and provide~~while providing comprehensive building electrification to low-income households ~~in the Aliso Canyon Disaster Area~~.

8.5. Programmatic Changes

8.5.1. Summary of ~~Opening Comments~~Party Positions

Parties ~~filed comments~~had different positions on how "priority" should be determined for allocating funds in the Aliso Canyon Disaster Area, and how the Commission ~~can ensure the expenditure of funds do not cause~~ could prevent tenant displacement in upgraded rental housing units, as well as limiting cost impact on those tenants.

Cal Advocates recommends the Commission prioritize communities in the Aliso Canyon Disaster Area by allocating 100 percent of funds to the specified communities identified in AB 157 until June 30, 2027, and that after this date, if there are any remaining funds, then those should be made available to customers in other parts of SoCalGas service territory.[~~196~~191] SCE recommends the

[~~195~~190] *See* Equitable Building Decarbonization Direct Install Program Guidelines submitted to the CEC on October 23, 2023, Docket Number 23-DECARB-03, at 13-17.

[~~196~~191] Cal Advocates Opening Comments on AB 157 Ruling at 5.

Commission use a needs-based approach prioritizing low-income and equity customers in addition to prioritizing communities within the Aliso Canyon Disaster Area.[197][192] CAC also recommends the Commission prioritize low-income households in the Aliso Canyon Disaster Area.[198][193]

~~Consistent with their other related recommendations, the~~The Joint Parties recommend the TECH Initiative implementer should look at low-income households and communities in Porter Ranch and surrounding areas for electrification direct installs.[199][194] Lastly, VEIC, as part of the TECH Initiative implementation team, asks the Commission for high-level guidance that provides the TECH Initiative implementation team with flexibility to optimize the program to meet all the stated priorities in AB 157.[200][195]

To ~~ensure the expenditure of funds does not cause~~prevent the displacement of tenants in upgraded rental housing units and that cost impacts on tenants remains limited, SCE[201][196] and TURN[202][197] recommend the Commission direct use of the "Split Incentives Agreement," as originally adopted in Resolution E-5043 for use in the San Joaquin Valley Disadvantaged Communities Pilot program adopted under D.18-12-015.

SCE and TURN explain the Split Incentives Agreement has also been used and required in SCE's ESA Building Electrification Pilot,[203][198] as well as the ESA

[197][192] SCE Opening Comments on AB 157 Ruling at 4.

[198][193] CAC Opening Comments on AB 157 Ruling at 16.

[199][194] Joint Parties Opening Comments on AB 157 Ruling at 6.

[200][195] VEIC Opening Comments on AB 157 Ruling at 8.

[201][196] SCE Opening Comments on AB 157 Ruling at 5.

[202][197] TURN Opening Comments on AB 157 Ruling at 2.

[203][198] SCE Opening Comments on AB 157 Ruling at 5.

Pilot Plus and Pilot Deep programs.[204199] TURN recommends the Split Incentives Agreement should apply to all rental properties receiving AB 157-funded TECH Initiative measures,[205200] arguing AB 157 did not distinguish between income groups but instead required protections for all tenants.[206201]

Alternatively, the Joint Parties recommend the Commission use, as a baseline, protections established for the CEC's EBD program and adopted in the Solar on Multifamily Affordable Housing (SOMAH) program.[207202] They note it is easier to require tenant protections in direct install programs as compared to appliance incentives, where they again reiterate their support for a low-income direct install program.[208203] Specifically, the Joint Parties recommend the following minimum protections from the EBD and SOMAH programs:[209204]

1. Protect Tenants from Evictions

    a. Landlords participating in the TECH Initiative cannot evict tenants for five years for any reason other than nonpayment, an illegal activity, or severe nuisance;

    b. Tenants should have clear information of the program and be able to contact the TECH Initiative implementer should any problem arise; and

    c. Landlords should be required to sign affidavits that they will not evict tenants other than for nonpayment and that tenants will be given contact information that they may reach out to when they receive eviction notices.

[204199] TURN Opening Comments on AB 157 Ruling at 4.

[205200] *Id.* at 5-6.

[206201] *Ibid.*

[207202] Joint Parties Opening Comments on AB 157 Ruling at 7.

[208203] *Ibid.*

[209204] Joint Parties Opening Comments on AB 157 Ruling at 7-8.

2. Rent Protection

a. Tenants should not be subject to rent increases due to a TECH Initiative-funded project, and restrictions should mirror rent increase restrictions in the SOMAH program and be at least as stringent as restrictions to access the Low-Income Housing Credit.

i. As an additional example, the Joint Parties note the property owner and tenant agreements that required the administrators in the San Joaquin Valley Pilot to ~~ensure~~prevent tenants ~~would not experience~~ experiencing increased rents or evictions for five years following appliance installations.

3. Avoid or Mitigate Temporary Displacement and Disruption

a. If temporary displacement is needed to enable retrofits, the Joint Parties recommend the following requirements:

i. The TECH Initiative and partner community-based organizations (if applicable) must be notified of the displacement so it is tracked and monitored; and

ii. The tenant should be granted the right to return to the same unit with the same rent rate.

~~8.5.2. Summary of Reply Comments~~

Regarding the prioritization of funds, LADWP recommends making funds available on a first-come, first-served basis to incentivize early participation.[~~210~~205] On tenant protections, LADWP explains it cannot regulate property owner and tenant protections, and instead defers to the City of Los Angeles's Housing Department for managing these agreements. LADWP highlights their Comprehensive Affordable Multifamily Retrofits (CAMR) program, which

[~~210~~205] LADWP Reply Comments on AB 157 Ruling at 4.

requires participating property owners to maintain property affordability for at least 10 years after receiving CAMR funds.[211][206]

CAC supports use of the "Split Incentives Agreement" or a similar tenant protection agreement, as recommended by TURN, SCE, and the Joint Parties.[212][207]

8.5.2. ~~8.5.3.~~ Discussion

As noted earlier, AB 157 funds shall be implemented as upstream and midstream incentives that will be available on a first-come, first-served basis to the communities prioritized in AB 157. This is consistent with how the TECH Initiative has been administered for the last several years. Additionally, we are persuaded by Cal Advocates' position that 100 percent of these funds should be allocated to the specified communities identified in AB 157 until June 30, 2027, and after this date, if there are any remaining funds, those remaining funds should be made available to other customers in SoCalGas service territory. We adopt Cal Advocates' recommendation with one modification that these funds shall be allocated exclusively to the San Fernando Valley area, inclusive of the Aliso Canyon Disaster Area communities, until June 30, 2027, with the Aliso Canyon Disaster Area communities prioritized for incentives.

Based on the similarities among the various proposals for tenant protections, ~~we direct~~ the TECH Initiative implementer ~~to~~shall adopt and use the "Tenant Protection Agreement" attached as Appendix B, which partially references the tenant protections section included in the EBD Program Guidelines. AB 157 states funds "shall not cause the displacement of tenants in upgraded rental housing units and shall be used to limit cost impacts on tenants." This agreement fulfills AB 157's mandate to prevent tenant

[211][206] *Ibid.*

[212][207] CAC Reply Comments on AB 157 Ruling at 6-7.

displacement and rent increases tied to building upgrades. We will implement this by requiring any property owner, or property manager acting on behalf of the owner, seeking incentives to sign the Tenant Protection Agreement, as a condition of receiving the incentives. ~~We will also require the TECH Initiative implementer to sign and use this agreement.~~

If a property owner, as defined in the agreement, violates these terms, the Commission, through the TECH Initiative implementer, may revoke or deny future participation in the TECH Initiative by such property owner, and the TECH Initiative implementer would be authorized to seek the recovery of incentives~~.~~ from said property owner.

Because these conditions govern the use of public funds, ~~they are within the Commission's authority:~~ the Commission ~~can~~has the authority to require property owners to agree to these terms as a prerequisite for receiving incentives~~,~~ and ~~the Commission can~~to withdraw funding if the property owners fail to comply. ~~This structure~~The foregoing framework meets AB 157's displacement-avoidance goals without exceeding the Commission's jurisdiction.

This Tenant Protection Agreement ~~ensures that~~provides protection against tenant displacement, due to building retrofits conducted because of participating in the TECH Initiative, ~~no tenant~~including any displacement attributable to the electrification project ~~and no~~or rent-based or other cost shifting for ~~those~~such upgrades ~~shall occur~~. The agreement must clearly state that the Commission is neither interpreting nor applying local or state landlord-tenant law; and its enforcement is limited to eligibility for program incentives. Property owners and tenants remain subject to all existing rent-stabilization and eviction rules outside the Commission's purview.

Recognizing the strong public policy against displacing tenants or shifting costs, we ~~also~~ require property owners applying for incentives to provide the rental property's address so the TECH Initiative implementer can send notice to tenants. That notice ~~should~~must briefly describe the TECH Initiative, the subsidy program, and building electrification, and explain that the property owner or manager cannot evict or raise rents based on the property's participation in the program. The notice ~~should~~must direct tenants to contact the implementer if a property owner or manager allegedly violates these tenant protections. Although the Commission and the TECH Initiative program cannot give legal advice, the notice ~~will~~must provide general information to tenants, informing them that, as third-party beneficiaries to the agreement between the implementer and the property owner, the tenant may ~~use a breach of that agreement – such as rent increases or evictions connected to the electrification retrofit – as a cause of action or defense in any unlawful detainer proceeding.~~raise the agreement in legal proceedings between the tenant and property owner.

Tenant protections should be expanded to all customer groups regardless of income status and shall be expanded not only to all customers receiving incentives from AB 157, but to all TECH Initiative customers. If the Tenant Protection Agreement requires amendments, the TECH Initiative implementer may, after consultation with Energy Division staff, submit a Tier 2 Advice Letter seeking such amendments.

8.6. Contracting Agent Arrangements

8.6.1. Summary of ~~Opening Comments~~Party Positions

~~Parties filed comments~~SCE and CalAdvocates provided recommendations on what new direction should be given to the TECH Initiative contracting agent to facilitate the transfer and accounting of the new TECH Initiative AB 157

funding. SCE, as the contracting agent, recommends the following ~~direction from the Commission~~:

(1) Modify the existing contract with the TECH Initiative implementer to disburse the $40 million in new AB 157 funding in proportions consistent with D.23-02-005 *and* as recommended by SCE in their responses to the AB 157 ruling questions;

(2) Within 15 days of modifying the contract with the TECH Initiative implementer, file a Tier 1 advice letter seeking Energy Division approval of the modified contract and to update SCE's tariffs for AB 157's new TECH Initiative funding;

(3) Create a sub-account under the Building Decarbonization Pilot Program Balancing Account (BDPPBA) to differentiate the source and use of funds for AB 157's new TECH Initiative funding; and

(4) Work with the TECH Initiative implementer to identify and track within the BDPPBA, the source and use of funds.[~~213~~208]

Cal Advocates recommends the TECH Initiative contracting agent should file a Tier 2 Advice Letter rather than a Tier 1 Advice Letter when seeking approval of contract execution or modification. Cal Advocates argues this will increase transparency on compliance with established program cost caps.[~~214~~209]

~~8.6.2. Summary of Reply Comments~~

SCE opposes Cal Advocates' recommendation. SCE notes that under General Order (GO) 96-B, matters appropriate to Tier 2 Advice Letters include changes in rates, tariffs, and other matters listed in GO 96-B. SCE explains that under prior TECH Initiative funding decisions (i.e., D.20-03-027 and D.23-02-005),

[~~213~~208] SCE Opening Comments on AB 157 Ruling at 5-6.

[~~214~~209] Cal Advocates Opening Comments on AB 157 Ruling at 6.

the filing of Tier 1 Advice Letters has allowed parties to comment and for Energy Division to ~~ensure~~verify SCE's compliance with program requirements.[~~215~~210]

LADWP ~~replies by stating they~~ defer to the TECH Initiative implementer on this question, ~~arguing~~and argue that they are best positioned to identify any specific needs or adjustments for the TECH Initiative contracting agent.[~~216~~211]

8.6.2. ~~8.6.3.~~ Discussion

We find merit in SCE's position that a Tier 2 Advice Letter is not necessary, and ~~we direct~~ the contracting agent ~~to~~shall follow the same provisions listed in D.23-02-005 for all new requirements applicable to the use of AB 157 funds by filing a Tier 1 Advice Letter. Consistent with D.20-03-027 and D.23-02-005, ~~we also direct~~ SCE ~~to~~shall place the AB 157 funds in an interest-bearing account for the benefit of the TECH Initiative implementer to be used for incentives.

8.7. Reporting Requirements

8.7.1. Summary of ~~Opening Comments~~Party Positions

Several parties ~~made recommendations on what~~recommend new reporting requirements ~~should~~to be imposed on the TECH Initiative implementer, including information on reducing winter natural gas demand from the Aliso Canyon natural gas storage facility, accelerating heat pump deployment, and providing equitable benefits to multi-family building residents, as required in AB 157.[~~217~~212]

CAC recommends reporting on the following metrics:[~~218~~213]

[~~215~~210] SCE Reply Comments on AB 157 Ruling at 3-4.

[~~216~~211] LADWP Reply Comments on AB 157 Ruling at 5.

[~~217~~212] AB 157 Sec. 99, Provisions 1(b)(iv).

[~~218~~213] CAC Opening Comments on AB 157 Ruling at 17.

- MMcf (Million Cubic Feet) of gas reduced per gas storage withdrawal season;
- Number of heat pumps installed;
- Percentage of dollars spent on programs benefiting multi-family building residents; and
- Percentage of dollars spent in the Aliso Canyon Disaster Area.

~~In its recommended metrics,~~ CAC does not specify where, when, or how frequently these should be reported. However, CAC identifies the gas storage withdrawal season as the winter months of November through March.

Cal Advocates recommends tracking the dollars spent in the Aliso Canyon Disaster Area and adding data on geographic participation. Cal Advocates recommends requiring the TECH Initiative implementer to include the total amount of funding authorized and the source of funds in their annual report, and include line-item expenditures for program administrator, program implementation, and incentives to demonstrate compliance with cost caps.[~~219~~214]

SCE recommends the TECH Initiative implementer report on the following:[~~220~~215]

- Strategies employed to target communities in SoCalGas territory and the TECH Initiative dollars given to customers there;
- Strategies employed to prioritize communities in Aliso Canyon Disaster Area and the TECH Initiative dollars given to those communities;
- Strategies employed to prioritize efforts that reduce winter natural gas demand from the Aliso Canyon natural gas storage facility, accelerate heat pump deployment, and

[~~219~~214] Cal Advocates Opening Comments on AB 157 Ruling at 6.

[~~220~~215] SCE Opening Comments on AB 157 Ruling at 5-6.

provide equitable benefits to multi-family building residents;

- Strategies and funding for workforce training targeted towards serving Aliso Canyon Disaster Area customers; and
- Strategies employed to prevent expenditure of funds from causing the displacement of tenants in upgraded rental housing units and limit cost impacts to tenants.

The Joint Parties highlight the requirement to reduce gas demand and recommend the TECH Initiative implementer be directed to report reductions in gas demand from participant gas bills in the months after installation.[~~221~~216]

VEIC recommends the TECH Initiative implementer be directed to report on several metrics, including the number of projects completed and households served with AB 157 funding in the Aliso Canyon Disaster Area, success reducing winter natural gas demand, success enabling comprehensive building electrification, success accelerating heat pump deployment, and the percent of funds benefiting equity communities.[~~222~~217]

~~8.7.2. Summary of Reply Comments~~

In response to CAC, SCE, VEIC, and the Joint Parties, SoCalGas notes that while the proposed reporting on gas reduction is focused on the winter withdrawal season, the Aliso Canyon storage facility is also critical in supporting summer electric generation demand.[~~223~~218]

CAC disagrees with VEIC that reporting on the number of projects and households is necessary as static numbers, arguing instead for the use

[~~221~~216] Joint Parties Opening Comments on AB 157 Ruling at 8-9.

[~~222~~217] VEIC Opening Comments on AB 157 Ruling at 12-13.

[~~223~~218] SoCalGas Reply Comments on AB 157 Ruling at 2-3.

percentages.[224][219] CAC explains that by assuming 100 percent of funds would be directed at electrification projects in the Aliso Canyon Disaster Area, tracking at the percentage level would be more accurate.[225][220] CAC ~~also~~ disagrees with VEIC that reporting on comprehensive building electrification is necessary and notes the Commission should not spend funds on its implementation or evaluation until all water heating is electrified.[226][221] Consistent with CAC's other related recommendation, CAC opposes VEIC's recommendation of reporting on the percentage estimated reduction in winter natural gas demand.[227][222]

CAC recommends the Commission define the geographic area where funds are made available. Contending that reporting on the number of projects is unnecessary, CAC recommends 100 percent of funds to be spent reducing gas demand served by the Aliso Canyon natural gas storage facility.[228][223] Lastly, CAC supports VEIC's heat pump reporting recommendations, and notes instead that it should be separated out by heat pumps used for space and water heating, if the Commission does not require 100 percent of funds to be used for HPWHs.[229][224]

8.7.2. ~~8.7.3.~~ Discussion

~~We agree MMcf may be the most convenient unit to measure gas demand reduction, as noted by CAC, because it is one of the most typical units for measuring the load on the gas system. However, if the impacts are less than 0.01 MMcf, ccf (Centum Cubic Feet, i.e. hundreds of cubic feet) should be used, as this~~

[224][219] CAC Reply Comments on AB 157 Ruling at 9.

[225][220] *Ibid.*

[226][221] *Ibid.*

[227][222] CAC Reply Comments on AB 157 Ruling 9-10.

[228][223] *Ibid.*

[229][224] CAC Reply Comments on AB 157 Ruling at 10.

~~measurement can be readily convertible to/from MMcf. Although winter gas demand is higher than summer, both winter and summer demand should be reported. Additionally, since peak morning hours gas demand drives infrastructure need, the estimated reduction reporting should also include "peak morning hours" as defined by 5:00 a.m. through 10:00 a.m. on the coldest three weekdays of the previous year.[230] We direct the reporting of reduced gas demand to include hourly reduction during each hour between 5:00 a.m. and 10:00 a.m., so the Commission can identify the highest-demand hour and compare it with adjacent hours. We direct utilities to report, for the three hottest summer days, the hourly demand across the same 5:00 a.m. to 10:00 a.m. window, averaged for each hour in that period. This information should be based on hourly collected data for each program participant. This data is critical in ensuring AB 157's intent to reduce demand from the Aliso Canyon natural gas storage facility is met.~~

~~Therefore, we direct the TECH Initiative implementer and evaluator to report on the estimated reduction of peak natural gas demand for winter and summer from the Aliso Canyon natural gas storage facility. This shall be done at the estimated ccf/hour level for each community identified in AB 157,[231] and include "peak morning hours" for summer and winter, as well as the hourly~~

~~[230] These gas peak hours drive the highest need for gas during cold winter days. A similar approach to gas peak hours is taken in Guidehouse, *Southern California Winter Gas Peak Savings Potential Analysis*, filed with the Commission on October 24, 2022, in I.17-02-002, which estimated "the potential for these energy efficiency (EE) and fuel substitution (FS) programs to reduce winter peak gas use beyond those impacts already generated by the existing IOU goals" in the Aliso Canyon service area. Gas peak demand curves for selected time periods may be viewed in CPUC Staff, *Winter 2020-2021 Southern California Gas Conditions and Operations Report*, dated October 24, 2022, (Figure 2), which also shows how gas is received during off-peak hours and consumed during peak hours (Figure 5).~~

~~[231] These communities are: Porter Ranch, Granada Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa.~~

~~reduction during each of these hours. Reporting should also include the total annual average ccf/day or MMcf/day demand reduction.~~

~~In addition, we direct~~The Commission directs the TECH Initiative implementer and evaluator to report on the number of heat pump and non-heat pump installations, and the number of incentives provided to both single- and multi-family building residents. While providing equitable benefits to multi-family building residents is a requirement of AB 157, no party provided specific recommendations in this regard. As such, we believe reporting on the number of installations and incentives going to both single- and multi-family building residents gives the Commission better insight into how funds are being distributed ~~and make~~so that programmatic adjustments may later be made, as necessary.

~~At this point, we~~We decline to adopt CAC's recommendation that reporting be done in percentages, because this is not a required component of AB 157, and reporting on the number of installations is a more straightforward statistic that can always be converted to percentages.

We direct the TECH Initiative implementer and evaluator to work with Energy Division Staff to develop a suitable and robust methodology for reporting natural gas demand reduction from the Aliso Canyon natural gas storage facility. Following development of such methodology, it shall be made public on the TECH Initiative's data reporting website.

Additionally, we direct the TECH Initiative implementer to report on the strategies undertaken to both prevent displacing tenants in upgraded rental housing units and limit the cost impact on tenants. As for additional reporting metrics, ~~we direct adopting reporting requirements similar to what was previously outlined in D.23-02-005. More specifically,~~ the TECH Initiative

implementer and evaluator shall report, beginning ~~with the second quarterly report in 2025~~six months following the launch of incentives, as available, the following information:

- ~~The estimated reduction in peak natural gas demand for all seasons from the Aliso Canyon natural gas storage facility at the ccf/hour level for each City of Los Angeles community identified in AB 157, represented as the average across "peak morning hours" of 5:00 a.m. to 10:00 a.m. on the three coldest and three hottest days as well as the hourly reduction during each of those five hours, and the annual total average ccf/day or MMcf/day gas demand reduction in each of these communities;~~
- Natural gas demand reduction from the Aliso Canyon natural gas storage facility;
- The number of heat pump installations, installations of individual eligible measures adopted by this decision, and number of incentives provided to both single- and multi-family building residents;
- Strategies employed to prevent expenditure of funds from causing the displacement of tenants in upgraded rental housing units and limit cost impacts to tenants;
- Strategies employed to target communities in the San Fernando Valley area, inclusive of the Aliso Canyon Disaster Area, and if applicable after 2027, to SoCalGas customers outside of the ~~designated communities~~San Fernando Valley area. Reporting should demonstrate how these strategies ~~are supporting~~support long-term market development for both market-rate ~~but also~~customers and low-income customers;
- AB 157-funded TECH Initiative incentives given to low-income customers as a percentage of the total program funds;
- The geographic areas and project type (e.g., comprehensive home electrification, or installing heat pumps at a

multi-family housing complex), where TECH Initiative funding was targeted and why; and

- Strategies and funding for workforce training targeted toward serving low-income customers.

9. ESJ Action Plan Goals

The issue of whether there are "potential impacts to ESJ communities and if so how best to incorporate the goals of the ESJ Action Plan 2.0 in developing the building decarbonization action plan" was examined as it relates to our actions in this decision. Rather than restating the discussions for each section set forth above ~~and discussing how each section set forth in this decision affects under-resourced communities and broader ESJ communities~~, we incorporate the above discussions by this reference ~~here~~ and find this decision aligns with, furthers and promotes the Commission's ESJ Action Plan (Version 2.0), as ~~exemplified~~discussed below.

This decision integrates equity and access considerations (Goal #1). It prioritizes under-resourced customers by authorizing $5 million annually for four years to provide electric service line upgrades to qualifying customers ~~transitioning to full~~pursuing electrification of their home or business. The equity allocation for the TECH Initiative via AB 157 (~~40~~50 percent minimum) ~~ensures~~provides for low-income households (≤ 80 percent of area median income~~)~~ for single-family or for multi-family as at least 66 percent of occupied living units at or below 80 percent area median income) to receive targeted electrification incentives. This ~~ensures~~will provided a higher proportion of funding for to further clean energy benefits for historically marginalized communities ~~benefit from the clean energy transition~~.

The decision invests in clean energy and climate resiliency (Goals #2 and #4). It promotes clean energy investments by, for example, supporting panel

upgrades, electrical wiring repairs, and load management devices to facilitate electrification; and allowing MSAs and smart splitters as cost-effective alternatives to electric service line upsizing, reducing infrastructure costs while supporting grid stability.

The decision enhances access to essential services (Goal #3). Subsidizing service line upgrades for under-resourced residential and small business customers ~~ensures~~allows for equitable access to safe, reliable electricity—especially critical for those in ~~disadvantaged communities (~~DACs~~)~~. The decision also aligns with programs supporting community-based outreach on building decarbonization.

The decision promotes economic opportunities (Goal #7). It supports workforce development by ensuring electrification incentives align with job training and employment programs. The funding structure for TECH Initiative includes workforce training, ensuring economic benefits for ESJ communities.

The decision ~~ensures~~provides for safety and consumer protection for all (Goal #6). The new service line upsizing rules prevent unnecessary costs to ratepayers in pursuit of greater affordability while ensuring customer protection.

Overall, this decision promotes the goals we adopted in our ESJ Action Plan by ensuring equity-centered building decarbonization, reducing financial and infrastructural barriers, and enhancing economic opportunities for ~~disadvantaged communities. The electrification incentives and service line upsizing subsidies collectively ensure ESJ communities benefit equitably from California's clean energy transition.~~DACs.

10. Comments on Proposed Decision

The proposed decision of Commissioner Darcie L. Houck in this matter was mailed to the parties in accordance with Pub. Util. Code Section 311 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 _____.~~

Comments were filed on April 15, 2025, by A.O. Smith, CAC, Cal Advocates, CALSSA, CBIA, Cohen Ventures Inc. (Energy Solutions), the Joint Parties, Peninsula Clean Energy Authority, PG&E, SBUA, SCE, SDG&E, SoCalGas, SPUR, and TURN.

Reply comments were filed on April 21, 2025, by Cal Advocates, CALSSA, Energy Solutions, the Joint Parties, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc., PG&E, Redwood Coast Energy Authority[225] and San Diego Community Power, SBUA, SCE, SDG&E, SoCalGas, and TURN.

After reviewing the opening and reply comments, several substantive revisions were made to the proposed decision. Notable substantive revisions are summarized and discussed below.

Refinement of MSA Evaluation and Confidentiality Requirements: PG&E raised confidentiality concerns and urged to protect proprietary information submitted by manufacturers during the safety evaluation process for MSAs, especially non-isolating devices that interface with utility metering equipment. PG&E recommends retaining the confidentiality framework established in Resolution E-5194. We are persuaded by PG&E and have revised the proposed decision to (1) remove the requirement that final evaluation reports be publicly posted, and (2) allow these to be submitted to the Commission with a request for confidential treatment. Additionally, while utilities are still required to provide a public-facing website listing approved devices and summarizing

[225] On April 21, 2025, Redwood Coast Energy Authority filed a motion for party status, which was granted by ruling issued on May 12, 2025.

testing processes, they must now also indicate in their Tier 1 Advice Letters what general categories of information were withheld due to confidentiality. Consistent with PG&E's recommendation, these revisions balance market transparency with confidentiality protections.

Clarification of Safety Evaluation Scope and Utility Oversight: PG&E and SCE expressed safety concerns associated with customers relying solely on service line capacity data to determine whether or not they can safely add new load, particularly if it resulted in bypassing utility review. Balancing this concern and related utility liability and oversight concerns, while also reinforcing the primacy of utility safety evaluations, the proposed decision is revised to eliminate the requirement for utilities to provide service line capacity information to their customers at this time, and stresses that customers must also inform their utility when adding load. This decision also requires the TECH Initiative implementer, as part of the educational materials to be developed pursuant to Section 5.4.2, to instruct customers and contractors of the need to comply with Electric Tariff Rule 3.C by informing them of their utility any time new electrical loads are added at the premise.

Changes to the Cost Allocation for Common Facility Cost Treatment: SBUA's comments correctly identifies administrative constraints of SMJUs. Recognizing this concern and to reduce adding additional administrative burden on the SMJUs, the proposed decision is revised such that the $5 million annual allocation to fund common facility cost treatment is now allocated from all electric utilities, including SMJUs, to solely the three major electric utilities—PG&E, SCE, and SDG&E—who are directed to establish balancing accounts for this purpose. This change in program funding structure also better aligns administrative burden with utility size and available resources. The

related tables reflecting proportional allocations were also correspondingly revised accordingly.

Funding Cap for Small Business Customers - Common Facility Cost Treatment: Upon reconsideration, we recognize that the vast majority of current building electrification programs - that the CFCT policy aims to support - are for residential customers. Consistent therewith, we limit the amount of funding for small business under-resourced customers to no more than 25%.

Clarification of Requirements for CFCT Eligibility:

In response to comments by SPUR, Joint Parties, SCE, and SBUA, the proposed decision is revised to remove full-electrification requirement for premises that receive CFCT funding. Instead, we make the requirements consistent with the CEC's EBD program eligibility requirements wherein a customer must replace at least one gas-fired equipment (either space or water heating- with a heat pump), and at the conclusion of the retrofit, at least two of the following four end uses must be electric: (1) space heating, (2) water heating, (3) cooking, and (4) clothes drying. Full building electrification is encouraged but not required.

Streamlining of Reporting and Tariff Implementation: In response to several partes' recommendations to streamline reporting requirements and to promote regulatory efficiency, the proposed decision was revised to eliminate or consolidate, where appropriate, redundant or burdensome reporting requirements. Instead, utilities must now maintain transparency through updated websites and periodic reports to the Commission.

Revised Website and Advice Letter Requirements: To provide an accountability mechanism, as recommended by PG&E's comments and to protect proprietary data, the proposed decision language was also revised such that

utilities must disclose in their Tier 1 Advice Letters any general categories of information withheld from the public website due to confidentiality concerns.

Modification to Ordering Paragraph 5 of Decision 23-12-037 Deadlines: Based on Sempra Utilities' comments, the proposed decision language was revised to eliminate the requirement that mixed-fuel new construction projects require executed contracts and full payments by July 1, 2024. We are persuaded to extend this contract-execution deadline to allow projects without fully executed contracts as of July 1, 2024, to remain eligible for electric line extension subsidies for mixed-fuel new construction. We do not, however, set a new deadline by which contracts must be executed because these mixed-fuel new construction projects already have until June 30, 2027, as the extended deadline to energize those projects.

In addition to the foregoing notable substantive revisions, other non-substantive streamlining, refinement and clarification edits, as well as corrections of inadvertent clerical errors were made throughout this decision for clarity, brevity, and consistency. Conclusions of law section was also refined, restructured and reorganized.

11. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and ~~Alberto T. Rosas~~Assistant Chief Administrative Law Judge Kimberly Kim is the assigned ALJ in this proceeding.

Findings of Fact

1. Electric service upsizing, frequently necessary to support installation of electric heating, cooking, and other appliances required for building electrification, can be costly and time-consuming for both customers and utilities, and the high upfront costs of upsizing electric service lines pose significant

financial barriers to building electrification, particularly for under-resourced residential and small business customers.

2. ~~Service line upsizing is often necessary to support installation of electric heating, cooking, and other appliances, which are required for full building electrification while recognizing that~~The Commission prioritizes avoiding unnecessary service line upsizing ~~is a priority for the Commission, as it reduces~~to reduce costs, minimizes delays, and optimizes grid utilization.

3. ~~Failure to provide~~Providing some cost relief for service line upsizing ~~could disproportionately impact~~to the under-resourced communities and small businesses in disadvantaged areas~~, limiting~~ would lessen the financial barriers and promote equitable access to ~~equitable~~ decarbonization benefits.

4. Allowing electric utilities to recover the cost of targeted service line upsizing through the rate base ~~allows~~would help the under-resourced customers to ~~more fully~~ participate in electrification programs despite infrastructure cost barriers.

~~5. Automatic enrollment in the all-electric baseline ensures electrified premises receive appropriate rate treatment.~~

5. ~~6. With California electric rates at historic highs, certain~~Certain service line upgrades may trigger unforeseen distribution infrastructure costs beyond the project site~~, necessitating~~ and require budget controls to prevent disproportionate ratepayer impacts.

6. ~~7.~~ Capping the total funding available for electric service line upsizing ~~ensures financial sustainability,~~ prevents excessive ratepayer burden~~,~~ and promotes equitable distribution of benefits.

7. ~~8.~~ Placing a per-project cap on single-family and small business service upgrades allows the available funds to assist a greater number of eligible customers, including multi-family and small business projects.

~~9.~~ Multiple ratepayer~~-~~ and non-ratepayer-funded programs exist to assist under-resourced customers in electrification efforts, and each program utilizes its own criteria and verification process to determine income eligibility and qualification as an under-resourced customer.

8. ~~10.~~ Electric service upsizing requests can be triggered by factors other than electrification, including solar installation, energy storage systems, and other DERs, all of which can contribute to ~~full~~ electrification of a premise.

9. ~~11.~~ After the receipt of service upsizing applications, on-site utility personnel conducting service upsizing evaluations can ~~efficiently~~ collect data on existing service size and panel capacity ~~without much~~, though this may require additional administrative ~~or~~and operational ~~burdens on~~effort from utilities.

10. ~~12.~~ Under NEC 220.87, there is an alternative method for calculating existing residential load based on either hourly peak load measurements over one year or 15-minute peak load measurements over 30 days.

11. ~~13.~~ SDG&E currently provides 15-minute peak load data on customer bills.

~~14. Requiring 15-minute peak load data on PG&E and SCE customer bills requires updating metering infrastructure, IT systems, and billing systems to collect, store, and display residential customers' peak demand data.~~

~~15. Ensuring new electric utility smart meters are capable of capturing and logging 15-minute interval usage and demand data provides flexibility for potential future use without immediate cost implications.~~

12. ~~16.~~ Currently, electric utilities do not systematically collect and record the capacity of customer electrical service lines, which limits the utilities' ability to analyze service upgrade trends and grid impacts.

13. Misunderstanding and misinterpretation of service line capacity or peak demand data by customers may create public safety risks, including fire hazards or equipment failure, if customers add load without consulting the utility, and providing such data on bills may inadvertently encourage unsafe assumptions about system capacity.

14. ~~17.~~ Systematic data collection will improve data accuracy for processes and better inform the Commission in its future decision making such as future grid planning, infrastructure investment planning, policy decisions, and equitable access to grid capacity.

15. Currently, per Electric Tariff Rule 3.C, customers must inform their electric utility when they add new load to their premises.

16. ~~18.~~ In D.21-01-018, the Commission approved $3 million in funding for PG&E, SCE, and SDG&E to evaluate technologies that enable electrical isolation of a premise during grid outages, which currently does not cover the evaluation of non-isolating technologies that interface with utility equipment.

17. ~~19.~~ Resolution E-5194 outlines the process and criteria for evaluating the safety and reliability of electric isolation technologies before they can be deployed or implemented, but this process does not extend to non-isolating technologies.

18. ~~20.~~ Non-isolating devices, such as meter socket adapters with distributed energy resource capabilities, can support the state's decarbonization goals by facilitating electrification, optimizing energy use, and reducing the need for unnecessary panel and service upsizing.

19. ~~21.~~ D.21-01-018 directed PG&E, SCE, and SDG&E to submit Tier 2 Advice Letters to request additional funding for safety evaluations of isolating devices, ensuring adequate resources for rigorous testing and grid safety; but the need for expanded safety evaluations now includes non-isolating devices that interface with utility equipment.

20. ~~22.~~ Resolution E-5194 requires PG&E, SCE, and SDG&E, along with suppliers, to submit an informational filing in R.19-09-009 when a utility terminates an evaluation process for an electrical isolation device without approving it for deployment, or when progress has ceased after an evaluation process lasted more than six months.

21. ~~23.~~ Providing a publicly accessible list of approved non-isolating devices will enhance transparency, streamline the customer decision-making process, and prevent installation of non-compliant or unsafe devices.

22. ~~24.~~ MSAs can facilitate customer electrification by providing a cost-effective alternative to electric panel upgrades and service line upsizing.

23. ~~25.~~ Resolution E-5194 establishes a safety evaluation process for ~~utility-approved~~customer-owned devices ~~and ensures only MSAs~~that interface with utility infrastructure and provides that only devices meeting the required safety and operational standards are allowed for installation.

24. ~~26.~~ MSAs approved through the Resolution E-5194 safety evaluation process require standardized installation procedures to ~~ensure~~provide for safe and effective deployment across all utility service territories.

25. ~~27.~~ PG&E, SCE, and SDG&E maintain electric service requirement manuals that provide technical and procedural guidance for customers, contractors, and utility personnel on installing utility-approved devices.

26. ~~28.~~ Currently, customers and contractors have limited access to information about strategies for avoiding service upsizing, such as load management technologies, panel optimization, and the use of smart devices. Centralized, publicly accessible educational resources can reduce unnecessary service upsizing requests and promote more cost-effective electrification.

~~29. Under OP 5 of D.23-12-037, the existing energization deadline for mixed-fuel new construction projects seeking electric line extension subsidies is no later than 12 months after July 1, 2024.~~

27. Collecting applicant attestations confirming review of educational materials about alternatives to service line upsizing can improve customer understanding without imposing undue administrative burden.

28. More frequent and granular reporting on electric line extension subsidy expenditures for mixed-fuel new construction projects is necessary to enhance transparency and enable the Commission to assess trends, expenditures, and project completion timelines more effectively.

29. ~~30.~~ The building process frequently experiences unforeseen delays in energization due to factors beyond developers' control, such as supply chain disruptions, material shortages, labor constraints, permitting delays, and project complexities.

~~31. More frequent and granular reporting on electric line extension subsidy expenditures for mixed-fuel new construction projects is necessary to enhance transparency and enable the Commission to assess trends, expenditures, and project completion timelines more effectively.~~

30. Some mixed-fuel new construction projects had completed development planning prior to July 1, 2024, but had not yet executed contracts. These projects

lacked sufficient notice regarding the sunset of electric line extension subsidies to finalize contracts by the original deadline.

31. Extending the deadline for contract finalization would allow projects that lacked fully executed contact by July 1, 2024, to remain eligible for subsidies in a manner consistent with the intent of prior commitments.

32. Standardizing the varied deadlines previously set in Resolution E-5105 ~~established a~~ (reporting deadline of September 1 of every year for various decarbonization-related data~~;~~), D.21-11-002 ~~established a~~ (reporting deadline of February 1 of every year for new customer data relating to appliance usage~~;~~), and D.23-12-037 ~~established a~~ (reporting deadline of May 1 of every year for data relating to line extension requests and subsidies) to April 15 improves efficiency and enables consistent year-over-year comparisons.

~~33. To ensure electrification incentives reach customers with the most need, D.23-02-005 established an expanded definition of equity customers, which includes but is not limited to low-income households.~~

33. Making non-confidential building decarbonization data publicly accessible on electric utility websites improves transparency and enables broader market and public engagement.

34. The TECH Initiative has historically been limited to providing incentives for heat pump space and water heaters, as specified in Public Utilities Code Section 922, and AB 157 expanded its scope of eligible electrification measures by allocating funds for additional technologies that support comprehensive building electrification.

35. Load management devices, such as MSAs and smart splitters, can help customers avoid costly electric service line upsizing by optimizing a customer's existing electrical infrastructure.

36. The CEC's EBD program includes a list of eligible measures that support comprehensive electrification for low-income customers~~, particularly in the Aliso Canyon Disaster Area~~.

37. Aligning eligible measures under the TECH Initiative with the CEC's EBD program ~~ensures~~provides consistency in incentive offerings and expands access to critical electrification technologies for low-income households.

38. AB 157 mandates prioritizing funds for specific communities in the City of Los Angeles: Porter Ranch, Granada Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa.

39. The Aliso Canyon Disaster Area communities are located within the greater San Fernando Valley area.

40. ~~39.~~ The TECH Initiative contracting agent previously implemented similar directives under D.23-02-005 and supports continuing these procedures with the additional AB 157 funds.

41. ~~40.~~ Ensuring that the new AB 157 funds are allocated, tracked, and managed in a manner consistent with previous funding mechanisms will support program continuity, fiscal accountability, and efficient fund distribution.

42. ~~41.~~ AB 157 requires that funds "shall not cause the displacement of tenants in upgraded rental housing units and shall be used to limit cost impacts on tenants."

43. ~~42.~~ Creating a sub-account within the BDPPBA will allow for transparent tracking of AB 157 funds separately from other funding sources.

44. ~~43.~~ Placing the AB 157 funds in an interest-bearing account ~~ensures that~~allows for accrued interest ~~can~~to further support program incentives, maximizing the impact of available funds.

45. ~~44.~~ This decision aligns with the Commission's ESJ Action Plan (Version 2.0) by ensuring equity-centered building decarbonization, reducing financial and infrastructural barriers to the ESJ communities, and enhancing economic opportunities for ~~disadvantaged communities~~DACs.

46. ~~45.~~ The electrification incentives and service line upsizing subsidies collectively ~~ensure~~provide benefits to ESJ communities ~~benefit equitably from California's clean energy transition~~.

Conclusions of Law

1. It is reasonable ~~and equitable~~ to provide cost relief for under-resourced residential and small business customers to upsize their electric service lines to facilitate ~~full~~ building electrification.

~~2. It is reasonable to require any additional costs passed on to ratepayers be carefully managed to balance affordability with decarbonization goals.~~

2. ~~3.~~ It is reasonable to require ratepayer-funded electrification programs be designed to maximize benefits across a broad number of customers, ensuring equitable access to electrification assistance while not increasing rates unreasonably.

3. ~~4.~~ It is reasonable to extend common facility cost treatment to under-resourced residential and small business customers ~~to ensure they receive the necessary support to overcome~~that face financial barriers to electrification and do so as an initial program for a four-year test period, wherein the fourth year is the evaluation year.

~~5. It is reasonable to offer common facility cost treatment starting July 1, 2025, and continuing through the end of 2029, under the parameters described in Section 4.3 of this decision, up to a per project cost cap of $10,000 to ensure the~~

~~limited funding benefits and is made use of by the maximum number of customers.~~

~~6. Requiring full electrification and termination of gas service as a condition for ratepayer-funded electric service upsizing is consistent with state decarbonization goals and prevents redundant infrastructure investments.~~

~~7. It is reasonable to require automatic enrollment in the all-electric baseline within 60 days of service restoration.~~

~~8. It is reasonable and necessary to impose a time-limited cost relief period.~~

~~9. It is reasonable to: (a) impose an annual funding cap for service line upsizing; (b) set a per-project funding cap for single-family homes; and (c) establish this initial program for a four-year test period.~~

4. ~~10.~~ It is reasonable to (a) adopt existing definitions of under-resourced customers from ~~the programs providing~~other existing electrification ~~incentives~~incentive programs, rather than establishing a separate definition, and (b) require that verification criteria from these programs be used to ~~ensure~~demonstrate consistent eligibility determination and administrative efficiency.

5. The Commission should authorize up to a total of $5 million annually, as a statewide annual maximum, for four years to be allocated amongst PG&E, SCE and SDG&E to provide cost relief for electric service line upsizing to qualified under-resourced customers pursuing electrification of their home or business through a building decarbonization program.

~~11. It is reasonable to require policies being tested on a pilot basis to clearly identify the necessary data to evaluate its effectiveness for potential long-term adoption, specifying responsibilities for data collection and methodology.~~

~~12. It is reasonable to require electric utilities to collect certain data during the electric service upsizing process.~~

~~13. It is unnecessary to require utilities to verify customer income directly, as income verification is already conducted through other electrification incentive programs.~~

~~14. It is unnecessary to limit common facility cost treatment for appliance electrification only.~~

~~15. It is reasonable to require utilities to track the specific technologies and end uses that necessitate electric service upsizing.~~

~~16. It is reasonable to return funds remaining in Balancing Accounts after the policy's sunset date to ratepayers.~~

~~17. It is reasonable to require electric utilities to report additional data to the Commission.~~

~~18. It is reasonable to require electric utilities to install smart meters capable of logging at least 15-minute interval data without the need of further physical or on-site intervention to enable this capability consistent with any requests made in the utility's next general rate case.~~

~~19. When replacing smart meters that reach the end of their life cycle, all electric utilities should take actions necessary to ensure newly installed meters are fully capable of logging at least 15-minute interval average demand and energy usage data without requiring further physical or on-site intervention to enable this capability; these utilities, however, should not be required to begin collecting or reporting this data unless directed by the Commission in a future decision.~~

6. ~~20.~~ It is reasonable to ~~(a) require~~authorize and direct the large electric utilities to ~~begin collecting and recording: (i) the capacity of newly installed or~~

~~replaced electrical service lines; and (ii) the original capacity of the electrical service line that was replaced; and (b) require utilities to link service line capacity records to a service location and meter identification number~~: (a) offer common facility cost treatment for under-resourced customers whose participation in an electrification program triggers the need for service line upsizing; and (b) establish a Common Facility Cost Treatment Balancing Account to track expenditures resulting from this policy.

7. It is reasonable and prudent to impose the following financial limitations on costs associated with upsizing the electric service line for under-resourced residential and small business premises, as defined in this decision:

(a) The total amount of ratepayer-funded service line upsizing assistance should be capped at $5 million annually, allocated proportionally among the three large investor-owned electric utilities;

(b) Any unallocated funds should be carried over into the following years until fully allocated or until June 30, 2029, whichever comes first, and any funds not allocated by June 30, 2029, should be returned to ratepayers after December 31, 2029;

(c) Single-family and small business projects should be subject to a per-project cap of $10,000 in ratepayer-funded assistance toward electric service line upsizing;

(d) Funding for small business under-resourced customers should not exceed 25 percent of total program funding; and

(e) Each of the aforementioned utilities' administrative costs should be capped at one percent (1 percent) of all of its respective expenditures and shall be tracked in a sub-account within the balancing account established pursuant to this decision.

8. PG&E, SCE, and SDG&E should be directed to submit a Tier 1 Advice Letter to the California Public Utilities Commission's Energy Division to establish Common Facility Cost Treatment Balancing Accounts for the amounts as set forth in Table 2 in Section 4.2 of this decision.

9. PG&E, SCE, and SDG&E should be directed to annually deposit their authorized proportional shares into the Common Facility Cost Treatment Balancing Accounts and be authorized to use those funds towards utility-side costs not already covered by existing allowances for those premises consistent with the conditions we set in this decision.

10. PG&E, SCE, and SDG&E should be directed to:

(a) Track and report customer participation in a Program, or Programs, as defined in Section 4.2 of this decision, by asking the customer specific questions during the request for service line upsizing process, to determine customer eligibility for common facility cost treatment; and

(b) Require, as part of the service line upsizing application under this program, a signed customer verification stating that: (1) all potential alternatives to upsizing were reviewed and considered, and (2) no viable alternatives were available to meet the customer's electrification needs.

11. ~~21.~~ It is reasonable to ~~require electric utilities to record and report the total number and amperage of existing and newly installed electrical service lines ("pre" and "post" installation); and it is reasonable to integrate this reporting requirement into utilities' annual submissions, aligning with~~adopt a new annual reporting deadline of April 15 for all reporting requirements established in this proceeding, which includes reports for Resolution E-5105, Appendix C and D reporting requirements for D. 21-11-002, reporting required by OP 8 of D.23-12-037, and the additional requirements adopted in this decision.

~~22. It is reasonable to require electric utilities (a) to include the information found in Appendix A of this decision as part of the annual reporting required under Resolution E-5105; and (b) to submit all information required under Resolution E-5105 and Appendix A of this decision as a Tier 1 information-only Advice Letter.~~

~~23. It is reasonable to adopt April 15 as the annual deadline for all reporting requirements set in this proceeding.~~

~~24. It is reasonable to require reports mandated by OP 8 of D.23-12-037 to be on a quarterly cadence, given the importance of tracking proliferation of all-electric construction due to line extension elimination policies.~~

12. Appendix A to this decision should (1) be adopted as the Electric Utilities New Reporting Requirements, (2) apply to all electric utilities, including the large electric IOUs and SMJUs, and (3) reporting fields related to common facility cost treatment on Appendix A are only applicable to large electric utilities, and should automatically sunset after the final report is submitted following either (a) the authorized funds having been fully expended, or (b) after four years, whichever comes first.

13. PG&E, SCE, SDG&E, and Southern California Gas Company should be directed to submit a Tier 1 information-only Advice Letter containing all reports and data required by this decision, including those new data collection requirements detailed in this decision's Appendix A, with the annual reporting required under Resolution E-5105.

14. Energy Division staff should be authorized to update the reporting requirements established by Resolution E-5105 and this decision, by notifying the service list of this proceeding, and providing the new template on the Commission's Building Decarbonization website.

15. The large electric IOUs and SMJUs should be directed to further inform this proceeding by filing responses to the questions outlined in Section 5.2.2, regarding: customer meters, 15-minute interval data, true peak demand data, data storage and systems updates, and green button data updates.

16. When installing new electric service lines or replacing existing electric service lines, the large electric IOUs and SMJUs should be directed to collect service line capacities for (a) any new electric service lines installed in new construction and (b) any electric service lines replacing existing service lines and submit report on this information in accordance with the requirements established in Section 4.2 and Appendix A of this decision.

17. The same requirements, confidentiality protections and evaluation process as in Resolution E-5194, which deals with isolating devices, should be adopted in this decision for "non-isolating devices" which are customer-owned devices that interface with utility equipment, do not have grid isolation capabilities, and require explicit utility approval. Such non-isolating devices include, but are not limited to, meter socket adapters with distributed energy resource capabilities.

18. OP 9 of D.21-01-018 should be modified to extend the previously authorized funds for isolating devices to also apply to non-isolating devices.

19. ~~25.~~ It is reasonable to ~~extend the safety evaluation process outlined in Resolution E-5194 to include non-isolating devices; and it is also reasonable to allow~~authorize PG&E, SCE, and SDG&E to (a) use the existing $3 million in funding ~~authorized in D.21-01-018 to evaluate~~approved in D.21-01-018 to conduct safety and reliability evaluations of the non-isolating devices, ~~especially those that~~and (b) prioritize safety evaluations for non-isolating devices that directly enable decarbonization and ~~help avoid unnecessary service upsizing~~facilitate electrification efforts.

~~26. It is reasonable to allow utilities to request flexibility in evaluation timelines on a scenario-specific case-by-case basis.~~

20. PG&E, SCE and SDG&E should be directed to evaluate and approve non-isolating devices for safety and compatibility in the same manner as isolating devices.

21. All directions in D.21-01-018 allowing PG&E, SCE, and SDG&E to submit Tier 2 Advice Letters requesting additional funding for safety evaluations should remain unaltered and should continue to apply.

22. PG&E, SCE, and SDG&E should each be directed to submit a Tier 2 Advice Letter to establish a new tariff supporting the installation of customer-owned MSAs, both isolating and non-isolating, as prescribed in this decision; and if a utility has already made a similar tariff submission, it should update its submission as needed to fully comply with this order.

23. It is reasonable and prudent to direct PG&E, SCE, and SDG&E to hold a joint public workshop, soliciting feedback on the proposed tariff and gathering public input on an appropriate target timeline for utility installation of MSAs.

24. It is reasonable to direct PG&E, SCE, and SDG&E to begin reporting annually on the previous year's data detailing each MSA installation and timeline for installation.

25. PG&E, SCE, and SDG&E should be authorized to seek an extension of time to complete an evaluation for a specific device, when appropriate.

26. ~~27.~~ It is reasonable to ~~require utilities to~~direct PG&E, SCE, and SDG&E to coordinate and collaborate on their device safety evaluations to avoid duplicative testing, and prior to filing the Advice Letter, consult with the Commission's Energy Division ~~before making the extension requests with regard to evaluating non-isolating devices, and to provide specific justification for such extension requests, including the reason for the delay and the anticipated new timeline for completing the evaluation.~~.

~~28. It is reasonable for electric utilities to complete evaluations of non-isolating devices in a timely manner.~~

~~29. It is reasonable to require electric utilities to provide regular progress reports on evaluation activities, requiring quarterly reporting during the early years of the evaluation process (2025-2026).~~

27. ~~30.~~ It is reasonable to ~~extend the provisions of D.21-01-018, permitting~~authorize PG&E, SCE, and SDG&E to ~~submit Tier 2 Advice Letters for additional safety evaluation funding, to also include~~seek additional funding for safety evaluations, as originally authorized in D.21-01-018, OP 9, to be applied to both isolating and non-isolating devices~~; and it is reasonable to require that utilities provide detailed budget justifications for any requested increases, ensuring that funding is necessary, appropriate, and aligned with safety evaluation objectives~~.

28. ~~31.~~ It is reasonable to ~~(a) extend the reporting requirements established in Resolution E-5194 to non-isolating devices; (b) require~~direct PG&E, SCE, and SDG&E to ~~file final evaluation reports for all outcomes of~~submit an informational report, jointly with suppliers, when a utility terminates the evaluation process~~, including devices that are approved, not approved, or for which evaluation has ceased; and (c) require utilities and suppliers to submit these reports within 60 days of the conclusion of~~ for an isolating or non-isolating device or technology without approving the device or technology for deployment, or when a product has been in the evaluation process for more than six months and both the utility and the supplier have agreed that progress toward completing the evaluation has ceased.

29. It is reasonable to direct PG&E, SCE, and SDG&E to provide updates to the Commission, upon request, of all testing and evaluation activities for isolating and non-isolating devices.

30. ~~32.~~ It is reasonable and prudent to ~~require~~direct PG&E, SCE, and SDG&E to publicly list on their respective websites all non-isolating devices that have received ~~investor-owned utility approval; and it is reasonable to require that these publicly-available lists be updated regularly.~~Investor-Owned Utility approval, information for manufacturers seeking to undergo the safety evaluation process, and a portal for customers to request installations of MSAs.

31. ~~33.~~ It is reasonable ~~to require that (a)~~and prudent to direct PG&E, SCE, and SDG&E ~~publicly list~~to each make available and continue to maintain a dedicated public webpage listing all devices approved for utility use through the evaluation process consistent with the Resolution E-~~5194 utility safety~~-5194 evaluation process~~; (b) each utility file a Tier 1 Advice Letter within 180 days, detailing how they have complied with this website requirement; and (c) the public website be easy to use and freely accessible without login credentials, while providing broad access to this public safety information.~~.

~~34. It is reasonable to (a) establish new tariffs that support the installation of customer-owned MSAs; (b) require that these tariffs apply only to MSAs that have been approved through the Resolution E-5194 safety evaluation process; and (c) require utilities to submit a Tier 2 Advice Letter within 90 days.~~

32. ~~35. It is reasonable to (a) require~~ PG&E, SCE, and SDG&E ~~to~~should each update their respective electric service requirement ~~manuals to include~~manual by providing detailed guidance on meter socket adapter installation requirements and descriptions of installation processes and procedures for all customer-owned ~~MSAs~~devices approved for use through ~~the Resolution E-5194~~ safety evaluation

process~~; and (b) require utilities to file a Tier 1 Advice Letter within 90 days~~ consistent with the Resolution E-5194 process.

33. Commission's Energy Division staff should be authorized to work with the TECH Initiative implementer to create and maintain a website that provides resources about alternatives to electric service and panel upsizing.

34. ~~36.~~ It is reasonable to ~~require the TECH Initiative implementer to select educational materials that inform customers and contractors on~~direct PG&E, SCE, SDG&E, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. to reference and link any new TECH Initiative implementer's website link, with resources about alternatives to electric service and panel upsizing, ~~encouraging them to avoid service upsizing if feasible, and that these materials be made available on~~to each utility's website page ordered in this decision.

35. ~~37.~~ It is reasonable to ~~require utilities to inform customers and contractors about available alternatives to service upsizing before accepting an~~direct PG&E, SCE, SDG&E, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. to each revise its respective application for service upsizing~~; and it is reasonable to require applicants to acknowledge receipt and review of educational materials on~~ to include (a) the TECH Initiative implementer's materials summarizing strategies to avoid service upsizing ~~alternatives, promoting public awareness.~~and informing applicants requesting a service upsizing about available alternatives, and (b) an applicant attestation form confirming the applicant reviewed the materials and considered available alternatives before proceeding with the service upsizing request.

36. OP 5 of D.23-12-037 should be modified to extend the deadlines it set.

37. OP 8 of D.23-12-037 should be modified to change the annual May 1 deadline to a quarterly deadline, with the fourth quarter report including an

annual summary and aligning with the April 15 annual reporting established in this decision.

38. PG&E, SCE and SDG&E should notify all electric utilities operating in their service territory, including both investor-owned utilities and publicly owned utilities, of the final disposition of any application filed before the Commission pursuant to OP 2 of D.22-09-026 seeking an exemption from gas line subsidy elimination for one or more building projects and serve that notice serve a notice of that final decision on the service list of this proceeding.

~~38. It is reasonable to extend the energization deadline for mixed-fuel new construction projects seeking electric line extension subsidies, set by OP 5 of D.23-12-037 (setting a deadline of 12 months after July 1, 2024), by adopting a 36-month extension to account for delays caused by factors beyond developers' control, such as material shortages, permitting issues, and project complexities, thereby providing a new energization deadline of no later than 36 months after July 1, 2024.~~

~~39. It is reasonable to (a) modify the reporting requirements established in OP 8 of D.23-12-037 to require quarterly reporting with more detailed, disaggregated data; (b) require data to be broken down by month, baseline territory, and project type (single-family vs. multi-family); and (c) require utilities to track and report the average time between contract payment and project energization.~~

~~40. It is reasonable to require gas investor-owned utilities to inform electric utilities of the final disposition of applications for projects that are granted an exemption from gas line subsidy elimination.~~

~~41. It is reasonable to establish a clear and standardized process for notifying electric utilities of these exemption decisions.~~

~~42. It is reasonable to consider new construction projects that use propane to power any appliances other than an outdoor grill as mixed-fuel projects, making them ineligible for electric line extension subsidies after July 1, 2024.~~

~~43. It is reasonable to distinguish between mixed-fuel projects and otherwise all-electric buildings that use a fuel other than gas or propane for backup electricity generation, ensuring that backup generation does not disqualify an otherwise all-electric building from subsidy eligibility.~~

39. ~~44. It is reasonable to extend the~~The cost caps ~~previously~~ established ~~for the TECH Initiative implementer, contracting agent, and evaluator~~ in D.20-03-027 and continued in D.23-02-005 should apply to the use of AB 157 funds for the TECH Initiative.

40. ~~45.~~ It is reasonable to ~~require that~~direct the TECH Initiative implementer to allocate the remaining AB 157 funds ~~be allocated only toward~~exclusively for the following purposes: (a) program incentives~~,~~; (b) the administration of tenant protections~~, and~~; (c) workforce~~,~~ education~~,~~ and training efforts; (d) verifying income eligibility; and (e) reporting.

~~46. It is reasonable to require that a minimum of 40 percent of all program costs be allocated to low-income households with incomes at or below 80 percent of area median income; and this approach would align with the CEC's HEEHRA and EBD programs that are also aimed at low-income households with incomes at or below 80 percent of area median income.~~

~~47. It is reasonable to waive income verification requirements for households whose incomes have already been verified under the CEC's HEEHRA or EBD programs.~~

~~48. It is reasonable to authorize the use of AB 157 funds for load management devices that can help customers avoid the need for electric service line upsizing.~~

41. As to the new TECH Initiative funding provided by AB 157, it is reasonable to set a minimum of 50 percent of all program costs to be allocated to either single-family low-income household with income at or below 80 percent of area median income, or multi-family low-income as at least 66 percent of occupied living units at or below 80 percent of area median income, as defined by the California Department of Housing and Community Development.

42. The TECH Initiative implementer should be directed to:

43. Verify the incomes of all participants, or utilize categorical eligibility, to determine eligibility for low-income program benefits; and

44. Exempt from income verification requirements and therefore do not require income verification for households whose income has already been verified under the California Energy Commission's Home Electrification and Appliance Rebates or Equitable Building Decarbonization programs.

45. ~~49. It is reasonable to adopt the~~The eligible measures list ~~from the CEC's EBD program~~for comprehensive building decarbonization adopted under the California Energy Commission's Equitable Building Decarbonization program guidelines, Section I.2, should be adopted for qualifying low-income customers ~~in the Aliso Canyon Disaster Area, as enabled by AB 157~~.

46. The TECH Initiative implementer should be authorized to provide the following as additional measures to all TECH Initiative customers: meter socket adapters, smart splitters, and any other load management device that can be deployed to avoid the need for line-sizing electric service upsizing, provided that

the use of funds for these devices does not duplicate any other available incentives.

47. In authorizing the expenditure of AB 157 funds, priority should be given to the specific communities in the City of Los Angeles: Porter Ranch, Granada Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa is consistent with AB 157.

48. ~~50. It is reasonable to continue implementing the~~The TECH Initiative, funded by AB 157, should continue to be implemented as an upstream and midstream incentive program, ~~as required by~~per Public Utilities Code Section 922, ~~with availability~~and be available on a first-come, first-served basis, consistent with the priority schedule we adopt.

~~51. It is reasonable to allocate 100 percent of AB 157 funds to the communities specified in the legislation until June 30, 2027, addressing the immediate needs of impacted communities, while allowing any remaining funds to be made available to other customers in SoCalGas service territory after June 30, 2027.~~

49. ~~52. It is reasonable for the Commission to require tenant protections as a condition of~~The TECH Initiative implementer should require every property owner or property manager, if applicable, seeking or receiving building electrification incentives ~~through the TECH Initiative.~~

~~53.~~ —whether funded under Assembly Bill 157 or otherwise— ~~It is reasonable~~ to ~~adopt~~enter into a Tenant Protection Agreement, ~~found in Appendix B, that prohibits property owners (and property managers) from shifting electrification costs to tenants or evicting them for reasons tied to the retrofit, and to extend these protections not only to customers receiving incentives through AB 157 but to all TECH Initiative customers.~~attached to this decision as Appendix B.

50. ~~54. It is reasonable to direct the~~The TECH Initiative contracting agent ~~to follow similar provisions as outlined in D.23-02-005~~should be provided directions regarding AB 157 funding and related obligations.

51. The TECH Initiative implementer and evaluator should be directed to submit every six months report relating to data on projects funded AB 157.

~~55. It is reasonable to (a) require the TECH Initiative contracting agent to modify the existing contract with the TECH Initiative implementer and evaluator; (b) require the creation of a sub-account within the BDPPBA; (c) require that AB 157 funds be held in an interest-bearing account; and (d) require that all accrued interest is used to further support building electrification incentives.~~

~~56. It is reasonable to require the TECH Initiative implementer and evaluator to submit quarterly reports on AB 157-funded projects that include data on the reductions in peak natural gas demand, particularly in the Aliso Canyon Disaster Area; heat pump installations; workforce training efforts; incentives provided to under-resourced customers; anti-displacement strategies to prevent negative impacts on tenants in upgraded rental housing; and detailed geographic and demographic reporting on program implementation.~~

52. ~~57.~~ This decision aligns with the Commission's ESJ Action Plan (Version 2.0) and furthers the following ESJ Action Plan goals:

- Goal #1: integrating equity and access considerations;
- Goals #2 and #4: investing in clean energy and climate resiliency;
- Goal #3: enhancing access to essential services;
- Goal #6: ensuring safety and consumer protection for all; and
- Goal #7: promoting economic opportunities.

53. ~~58.~~ All assigned Commissioner and Administrative Law Judge rulings issued to date should be affirmed.

54. ~~59.~~ The proceeding should remain open.

O R D E R

IT IS ORDERED that:

1. This decision authorizes up to a total of $5 million annually, as a statewide annual maximum, for four years to be ~~divided~~allocated amongst Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company~~, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc.~~ to provide cost relief for electric service line upsizing to qualified under-resourced customers pursuing ~~full~~ electrification of their home or business through a building decarbonization program, as defined in Section ~~4.3~~4.2.

2. Starting ~~July~~no later than October 1, 2025, and continuing through ~~December 31~~June 30, 2029, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company~~, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc.~~ shall each: (a) offer common facility cost treatment for under-resourced customers whose participation in an electrification program triggers the need for service line upsizing; and (b) establish a Common Facility Cost Treatment Balancing Account to track expenditures resulting from this policy. The costs associated with upsizing the electric service line for under-resourced residential and small business premises, as defined in this decision, shall be subject to the following financial limitations:

   (a) The total amount of ratepayer-funded service line upsizing assistance shall be capped at $5 million annually, allocated proportionally among the three large investor-owned electric utilities;

(b) Any ~~unspent~~unallocated funds ~~may~~shall be carried over into the following years until fully ~~expended or December 31~~allocated or until June 30, 2029, whichever comes first, and any funds not ~~fully expended by December 31~~allocated by June 30, 2029, shall be returned to ratepayers after December 31, 2029;

(c) Single-family and small business projects shall be subject to a per-project cap of $10,000 in ratepayer-funded assistance toward electric service line upsizing; ~~and~~

(d) Funding for small business under-resourced customers shall not exceed 25 percent of total program funding; and

(e) ~~(d)~~ Each of the aforementioned utilities' administrative costs are ~~hereby~~ capped at ~~a quarter of a~~one percent (~~0.25~~1 percent) of all of its respective expenditures and shall be tracked in a sub-account within the balancing account established pursuant to Ordering Paragraph 3.

3. Within 60 days of the issuance of this decision, Pacific Gas and Electric Company (PG&E), Southern California Edison Company~~,~~ (SCE), and San Diego Gas & Electric Company~~, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc.~~ (SDG&E), shall submit a Tier 1 Advice Letter to the California Public Utilities Commission's Energy Division ~~establishing~~to establish Common Facility Cost Treatment Balancing Accounts for the following amounts (as described in Table ~~4.3.1~~2 of Section ~~4.3~~4.2 of this decision~~.~~):

(a) PG&E: $2,296,059;

(b) SCE: $2,096,226; and

(c) SDG&E: $607,715.

4. Starting ~~July~~no later than October 1, 2025, and ending on June 30, 2029, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company~~, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc.~~ shall annually deposit their authorized proportional

shares into the Common Facility Cost Treatment Balancing Accounts and shall use ~~the monies set aside in the Common Facility Cost Treatment Balancing Accounts to fund~~those funds towards utility-side costs not already covered by existing allowances for those premises where the following conditions are met:

(a) For single-family and small business premises, and for individual dwelling units within a multi-family property:

(1) The existing capacity of the ~~premises'~~ service line is less than 100 amperes (amps); and

~~(b)~~ (2) The upsized capacity does not exceed 200 amps~~;~~.

~~(c) The premise, or premises, undergo full electrification through a Program, or Programs, as defined in Section 4.3, that results in the permanent termination of gas service for an under-resourced customer; and~~

~~(d) The electric utility serving the premise, or premises, shall ensure that the customer is automatically enrolled in the all-electric baseline no later than 60 days after service is restored, following completion of the service line upsizing and replacement of all gas appliances in the building.~~

(b) For all premises:

(1) Existing gas-fired heating equipment (i.e., equipment fueled by natural gas, propane, or another fossil fuel) is replaced with a heat pump for space heating and cooling, or an existing gas-fired water heater is replaced with a heat pump water heater; and

(2) At the conclusion of the retrofit, at least two of the following four end uses in the building have been electrified: space heating, water heating, cooking, and clothes drying.

5. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company~~, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc.~~ shall track and report customer participation in

a Program, or Programs, as defined in Section ~~4.3~~4.2 of this decision, by asking the customer specific questions during the request for service line upsizing process, ~~as a way~~ to determine customer eligibility for common facility cost treatment.

6. Starting in 2026, April 15 is the new annual deadline for all reporting requirements established in this proceeding, which includes reports for Resolution E-5105, Appendix C and D reporting requirements for Decision (D.) 21-11-002, reporting required by Ordering Paragraph (OP) 8 of D.23-12-037, and the additional requirements established in OP 7 of today's decision. For quarterly reports, such as the revised D.23-12-037 reporting deadlines established in OP 28 of today's decision, the April 15 deadline shall align with the close of the fourth quarter reporting for the prior calendar year and shall also include annual summaries.

7. Appendix A to this decision is the Electric Utilities New Reporting Requirements and is adopted. Appendix A shall apply to all electric utilities, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc., and the reporting fields related to common facility cost treatment on Appendix A are only applicable to large electric utilities, and shall automatically sunset after the final report is submitted following either (a) the authorized funds having been fully expended, or (b) after four years, whichever comes first.

8. ~~7.~~ Starting in 2026, by April 15 of each year, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company shall ~~file~~submit a Tier 1 information-only Advice Letter containing all reports and data

required ~~under this proceeding, including~~in this decision as part of their annual submittal for Resolution E-5105; and PG&E, SCE and SDG&E shall also report on the new data collection requirements detailed in this decision's Appendix A, ~~with the~~in addition to their annual reporting required under Resolution E-5105.

~~Appendix A reporting requirements are applicable to PG&E, SCE, SDG&E, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc., and will automatically sunset after the final report, which shall be submitted after the authorized funds have been fully expended, or after four years, whichever comes first.~~

9. ~~8.~~ Energy Division staff is authorized to update the reporting requirements established by Resolution E-5105 and this decision, by notifying the service list of this proceeding, and providing the new template on the ~~California Public Utilities~~ Commission's Building Decarbonization website as soon as practicable. If no new reporting requirements are provided, the prior reporting requirements shall remain in effect.

10. ~~9.~~ Within 90 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. shall ~~file~~ :

(a) ~~a Tier 1 Advice Letter~~File a Compliance Filing to the docket of this proceeding and served on this proceeding's service list, providing responses to the questions outlined in Section ~~5.2.3~~5.2.2, regarding: customer meters, 15-minute interval data, true peak demand data, data storage and systems updates, and green button data updates~~. The aforementioned utilities shall collaborate~~ ; and

(b) Confer with the California Public Utilities Commission's Energy Division ~~to ensure the submitted information fully addresses~~prior to the filing of the Compliance Filing to

confirm that the Compliance Filing includes all relevant topics and information necessary ~~for evaluating~~to inform and evaluate potential future policies on customer access to peak demand data~~, as those topics are set out in Section 5.3.3~~.

~~10. When replacing electric smart meters that reach the end of their life cycle, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. shall only install meters that are fully capable of logging at least 15-minute interval average demand and energy usage data without requiring further physical or on-site intervention to enable this capability. The aforementioned electric utilities may begin collecting or reporting this data at a later time, when expressly directed to do so by the Commission.~~

11. When installing new electric service lines or replacing existing electric service lines, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. shall ~~(a) no later than 90 days from the issuance of this decision, begin recording the capacity (in amperage) of the existing and newly installed service lines for each incoming customer application, and link this information with the corresponding service location, unique project identification (ID) number, and meter ID number; and (b) no later than one year from the issuance of this decision, make this information easily accessible through a customer's online portal.~~ collect service line capacities for (1) any new electric service lines installed in new construction and (2) any electric service lines replacing existing service lines; and the aforementioned utilities shall report this information in accordance with the requirements established in Section 4.2 and Appendix A of this decision.

~~12. Within 90 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each update their respective electric service requirement manuals to include descriptions of customer-owned meter socket adapter installation processes and procedures, and shall each file a Tier 1 Advice Letter, demonstrating compliance with the aforementioned updates to their electric service requirement manuals.~~

12. ~~13.~~ We adopt the same requirements, confidentiality protections and evaluation process as in Resolution E-5194 ~~is modified and expanded to include evaluation of~~, which deals with isolating devices, to "non-isolating devices" which are customer-owned devices that interface with utility equipment, do not have grid isolation capabilities, and require explicit utility approval ~~("non-isolating devices")~~. Such non-isolating devices include, but are not limited to, meter socket adapters with distributed energy resource capabilities. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall therefore evaluate and approve non-isolating devices for safety and compatibility in the same manner as isolating devices~~.~~ by following and complying with:

(a) All reporting, safety evaluations, technology review, and other requirements and applicable processes described in Resolution E-5194 ~~shall apply to isolating and non-isolating devices.~~; and

(b) All confidentiality provisions and protections set forth in Resolution E-5194, including the process to request confidential treatment of proprietary designs and sensitive evaluation materials.

13. ~~14.~~ We modify Decision (D.) 21-01-018 ~~is modified~~, Ordering Paragraph 9, and extend the ~~funding it~~ previously authorized ~~is extended to~~funds for isolating

devices to also apply to non-isolating ~~devices in addition to isolating~~ devices. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) are authorized to (a) use the existing $3 million in funding approved in D.21-01-018 to conduct safety and reliability evaluations of ~~these~~the non-isolating devices, and (b) prioritize safety evaluations for non-isolating devices that directly enable decarbonization and facilitate electrification efforts. All directions in D.21-01-018 allowing PG&E, SCE, and SDG&E to submit Tier 2 Advice Letters requesting additional funding for safety evaluations shall continue to apply.

14. ~~15.~~ Within ~~90~~180 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each ~~file~~submit a Tier 2 Advice Letter to establish a new tariff supporting the installation of customer-owned meter socket adapters (MSAs), both isolating and non-isolating~~, which shall describe the~~ that describes:

(a) The process and requirements a customer must follow to install any device approved through the ~~Resolution E-5194~~ safety evaluation process~~.~~, consistent with the Resolution E-5105 processes we adopt in this decision, including but not limited to (1) the premises where MSAs may be installed, (2) who is responsible for removing and inserting meters, (3) how to request MSA installations, (4) device ownership and responsibility, (5) conditions requiring device removal, and (6) how to handle unauthorized installations; and

(b) A target timeline between when a customer requests an MSA installation and when the utility installs the MSA.

If a utility has already made a similar tariff submission, it shall update its submission as needed to fully comply with this order.

15. Within 90 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric

Company shall hold a joint public workshop, soliciting feedback on the proposed tariff and gathering public input on an appropriate target timeline for utility installation of meter socket adapters.

16. Beginning on April 15, 2026, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall report annually on the previous year's data detailing each meter socket adapter installation and timeline for installation. PG&E, SCE, and SDG&E shall refer to Appendix A for the full list of reporting requirements and shall include this reporting as a Tier 1 Advice Letter as part of the annual reporting mandated under Resolution E-5105 and in accordance with the revised reporting timelines established in section 7.2 of this decision.

17. ~~16.~~ Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) ~~shall~~are each ~~file~~authorized to submit a Tier 1 Advice Letter if they seek an extension of time to complete an evaluation for a specific device. ~~Prior to filing this letter~~PG&E, SCE, and SDG&E shall coordinate and collaborate on their device safety evaluations to avoid duplicative testing. Prior to submitting the Advice Letter, PG&E, SCE, and SDG&E shall consult with the California Public Utilities Commission's Energy Division to discuss the need for an extension. The Advice Letter shall include detailed justification for the requested extension, including reasons for the delay, steps taken to complete the evaluation, and new timeline for completion. This extension request process shall apply to both isolating and non-isolating devices.

~~17. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall submit Tier 1 Advice Letters to report on their progress in evaluating non-isolating devices, including activities completed in the prior reporting period and~~

~~anticipated activities for the next reporting period, as outlined in Section 5.3.3. For 2025 and 2026, PG&E, SCE, and SDG&E shall submit these Tier 1 Advice Letters on a quarterly basis, with the first report due on July 15, 2025, covering the first two quarters of 2025. Beginning January 15, 2027, PG&E, SCE, and SDG&E shall transition to annual reporting, continuing until all approved evaluation funds are expended.~~

18. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company may submit Tier 2 Advice Letters requesting additional funding for safety evaluations, as originally authorized in Decision 21-01-018, Ordering Paragraph 9. This additional funding shall apply to both isolating and non-isolating devices. Each Tier 2 Advice Letter shall include detailed justification in support of any request for budgetary increases.

19. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each submit an informational report, jointly with suppliers, ~~to the service lists~~when a utility terminates the evaluation process for an isolating or non-isolating device or technology without approving the device or technology for deployment, or when a product has been in the evaluation process for more than six months and both the utility and the supplier have agreed that progress toward completing the evaluation has ceased. Each of the aforementioned utilities shall file the informational report to the docket cards in this proceeding and Rulemaking 19-09-009~~,~~ and serve the reports on both service lists. Each of the aforementioned utilities shall also email courtesy copies of said informational report to the California Public Utilities Commission's Energy Division at energydivisioncentralfiles@cpuc.ca.gov ~~that includes the final evaluation report following the process outlined in Resolution E-5194 for all isolating and non-isolating devices that have been either approved for~~

~~deployment, not approved, or for which evaluation has ceased, as described in Section 5.3.3 of this decision. Each informational filing shall be submitted no later than 60 days after the evaluation process for the device has concluded.~~ and buildingdecarb@cpuc.ca.gov.

20. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall provide updates to the California Public Utilities Commission (Commission), upon request, of all testing and evaluation activities for isolating and non-isolating devices. The Commission's request shall specify the deadline for when such updates are due. As necessary,, the aforementioned utilities may seek confidential treatment of information, in accordance with Commission rules.

21. ~~20.~~ Within 180 days of the issuance of this decision, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall publicly list on their respective websites all non-isolating devices that have received Investor-Owned Utility approval, information for manufacturers seeking to undergo the safety evaluation process, and a portal for customers to request installations of meter socket adapters, as described in Section ~~5.4.3~~5.3.2 of this decision. Each utility shall ~~ensure this~~provide a list ~~is~~of updated ~~to reflect newly~~ approved devices that and any changes in approval status within ~~30~~10 business days of the approval or change. PG&E, SCE, and SDG&E shall notify the California Public Utilities Commission's Energy Division at energydivisioncentralfiles@cpuc.ca.gov and buildingdecarb@cpuc.ca.gov concurrent with any website update regarding any newly approved device and change in approval status.

22. ~~21.~~ Within 180 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas &

Electric Company shall ~~file~~submit a Tier 1 Advice Letter outlining compliance with the website requirements detailed in Section ~~5.4.3. Each of these utilities shall~~5.3.2 and shall make available and continue to maintain a dedicated public webpage listing all devices approved for utility use through the evaluation process consistent with the Resolution E-5194 ~~safety~~ evaluation process. This public webpage information shall ~~be~~ :

(a) Be freely accessible without access restrictions, login credentials, or other barriers.;

~~22. Within 90 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a Tier 2 Advice Letter establishing a new tariff to support the installation of customer-owned meter socket adapters. The new tariff shall clearly outline the process, requirements, and responsibilities for customers and contractors to install devices that have been approved through the Resolution E-5194 safety evaluation process.~~

(b) Not jeopardize manufacturers' proprietary data or creating competitive disadvantages;

(c) Include sections on the descriptions of the processes for testing and evaluating new eligible devices, user-friendly explanations of the testing and evaluation processes, resources for manufacturers to better understand the types of tests used to evaluate devices, considerations for manufacturers to keep in mind, and common areas of failure;

(d) Include a list of approved devices;

(e) Include an FAQ section for device manufacturers highlighting the types of tests conducted and key considerations;

(f) Link to a portal for customers to request device installations from the utility;

(g) Permit access without necessitating a customer log-in; and

(h) Be hosted this list on a new landing page specific to these types of devices.

23. Within ~~90~~180 days of the issuance of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company each shall:

(a) Update their respective electric service requirement manuals by providing detailed guidance on meter socket adapter installation requirements and descriptions of installation processes and procedures for all customer-owned devices approved for use through safety evaluation process consistent with the Resolution E-5194 ~~safety evaluation~~ process; and

(b) ~~File~~Submit a Tier 1 Advice Letter demonstrating compliance with the manual updates in accordance with this order.

24. Energy Division staff ~~will~~is authorized to work with the Technology and Equipment for Clean Heating (TECH) Initiative implementer to create and maintain a website that ~~contains~~provides resources about alternatives to electric service and panel upsizing. This website link ~~will~~shall be shared with the service list of this proceeding no later than 180 days from the issuance of this decision, or as soon thereafter as practicable. The TECH Initiative implementer may use existing or upcoming studies and resources to avoid duplication of efforts.

25. Within 270 days of the issuance of this decision, or within 90 days after the Technology and Equipment for Clean Heating (TECH) Initiative ~~implementers share~~implementer shares the website link ordered in this decision with this proceeding's service list, whichever comes first, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. shall ~~appropriately link and~~ reference ~~the~~and link the new TECH Initiative implementer's website link ~~created by the TECH Initiative implementer~~

~~containing~~, with resources about alternatives to electric service and panel upsizing, to each utility's website page ordered in this decision. These resources shall provide customer instructions on how to comply with Electric Tariff Rule 3.C requirements. The aforementioned electric utilities also shall post and add this link at all web locations customers are likely to visit in the process of requesting service line upsizing, such as on the utility application web portals for service upsizing requests.

26. Within 270 days of the issuance of this decision, or within 90 days after the Technology and Equipment for Clean Heating (TECH) Initiative implementer shares the website link ~~to its resources for alternatives to upsizing, whichever comes first~~ordered in this decision with this proceeding's service list, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, PacifiCorp, and Bear Valley Electric Service Inc. shall each revise its application for service upsizing to include (a) the TECH Initiative implementer's materials summarizing strategies to avoid service upsizing and informing applicants requesting a service upsizing about available alternatives, and (b) an applicant attestation form confirming the applicant reviewed the materials and considered available alternatives before proceeding with the service upsizing request. The aforementioned electric utilities shall make this attestation form a requirement for all applicants seeking a service line upsizing.

27. Ordering Paragraph 5 of Decision 23-12-037 is modified to extend the ~~deadline it sets, and mixed-fuel~~ deadlines it set as follows:

(a) Mixed-fuel new construction projects ~~with contracts approved and fully paid for prior to July 1, 2024,~~ shall have until June 30, 2027, which equates to 36 months from July 1,

2024, as the new extended deadline to energize the project~~.~~; and

(b) The contract-execution deadline is extended to allow projects that were in the design review approval process, but without executed contracts, prior to July 1, 2024, to remain eligible for electric line extension subsidies for mixed-fuel new construction such that those projects must now only meet June 30, 2027 extended deadline to energize those projects.

28. Ordering Paragraph (OP) 8 of Decision (D.) 23-12-037 is modified ~~and~~to change the annual May 1 deadline ~~it sets is now changed~~ to a quarterly deadline, with the fourth quarter report including an annual summary and aligning with the April 15 annual reporting established in OP 6 of today's decision. Beginning ~~in the year~~July 15, 2025, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each ~~do the following~~:

(a) ~~submit~~Submit quarterly reports containing data as required in OP 8 of D.23-12-037, disaggregated by month;

(b) ~~submit~~Submit the same monthly data broken down by baseline territory and distinguish single-family data from multi-family data; and

(c) ~~as~~As part of quarterly reports, provide data on the average number of days between when a contract for a building project is fully paid and when that project is energized.

29. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company shall notify all electric utilities operating in their service territory, including both investor-owned utilities and publicly owned utilities, of the final disposition of any application ~~submitted to~~filed before the California Public Utilities Commission pursuant to Ordering Paragraph 2 of Decision 22-09-026 seeking an exemption from gas line subsidy

elimination for one or more building projects. ~~Notification shall occur within~~Within 30 days of the Commission's issuance of a final decision on each relevant application, applicant in that proceeding shall serve a notice of that final decision on the service list of this proceeding.

30. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall refer to Resolution E-5352 for guidance on how to interpret what building projects should be considered "mixed-fuel" for purposes of implementing Decision 23-12-037. "Mixed-fuel" new construction shall not include otherwise all-electric building projects that use gas or propane solely for backup electricity generation.

31. The cost caps established in Decision (D.) 20-03-027 and continued in D.23-02-005 shall apply to the use of Assembly Bill (AB) 157 funds for the Technology and Equipment for Clean Heating (TECH) Initiative as follows:

(a) 10 percent for administrative costs of the implementer;

(b) 1 percent for administrative costs of the contracting agent; and

(c) 2.5 percent for program evaluation.

32. The ~~TECH~~Technology and Equipment for Clean Heating (TECH) Initiative implementer shall ~~ensure that~~allocate the remaining Assembly Bill (AB 157) funds ~~are allocated~~ exclusively for the following purposes: (a) program incentives; (b) the administration of tenant protections; ~~and~~(c) workforce~~,~~ education~~,~~ and training efforts; (d) verifying income eligibility; and (e) reporting.

33. ~~32.~~ As to the new Technology and Equipment for Clean Heating (TECH) Initiative funding provided by Assembly Bill 157, a minimum of ~~40~~50 percent of all program costs, shall be allocated to either single-family low-income ~~households with incomes~~household with income at or below 80 percent of area

median income, or multi-family low-income as at least 66 percent of occupied living units at or below 80 percent of area median income, as defined by the California Department of Housing and Community Development.

~~(a)~~ The TECH Initiative implementer shall ~~verify~~ :

(a) Verify the incomes of all participants, or utilize categorical eligibility, to determine eligibility for low-income program benefits; and

(b) ~~Income~~Exempt from income verification ~~shall not be required~~requirements and therefore do not require income verification for households whose income has already been verified under the California Energy Commission's Home Electrification and Appliance Rebates or Equitable Building Decarbonization programs.

34. ~~33.~~ The eligible measures list for comprehensive building decarbonization adopted under the California Energy Commission's Equitable Building Decarbonization program guidelines, Section I.2, is adopted for qualifying low-income customers; and the Technology and Equipment for Clean Heating (TECH) Initiative implementer is authorized to provide the following as additional measures to all TECH Initiative customers: meter socket adapters, smart splitters, and any other load management device that can be deployed to avoid the need for electric service line upsizing, provided that the use of funds for these devices does not duplicate any other available incentives. ~~The eligible measures list for comprehensive building electrification under the California Energy Commission's Equitable Building Decarbonization program is hereby adopted for qualifying low-income customers in the Aliso Canyon Disaster Area.~~

35. ~~34.~~ The Technology and Equipment for Clean Heating (TECH) Initiative, funded by Assembly Bill (AB) 157, shall continue to be implemented as an upstream and midstream incentive program, per Public Utilities Code

Section 922, and shall be available on a first-come, first-served basis~~.~~, consistent with the following priority schedule:

(a) Until June 30, 2027, one hundred percent of funds shall be allocated exclusively to the San Fernando Valley area while prioritizing the City of Los Angeles communities identified in AB 157 (Porter Ranch, Granada Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa)~~.~~; and

(b) After June 30, 2027, any remaining funds shall be made available to other customers within Southern California Gas Company service territory.

36. ~~35.~~ The Technology and Equipment for Clean Heating (TECH) Initiative implementer shall require every property owner or property manager, if applicable, seeking or receiving building electrification incentives—whether funded under Assembly Bill 157 or otherwise—to enter into a Tenant Protection Agreement, attached to this decision as Appendix B, which provides the following required terms:

(a) Prohibition of any rent increase attributable to the electrification retrofit, upgrade, or its costs;

(b) Prohibition of any eviction or forced move attributable to the electrification, upgrade, or its costs;

(c) Requirement that the TECH Initiative implementer shall ~~ensure~~confirm that all participating property owners or property managers, as applicable, provide addresses for all rental properties (and individual units) participating in the program;

(d) Requirement that the implementer shall send written or digital notice to tenants, explaining Tenant Protection Agreement, tenants' rights, and how to report violations; ~~and~~

(e) Provision that if a property owner or property manager, as applicable, violates the Tenant Protection Agreement, the implementer may, upon notice to the California Public

Utilities Commission (Commission), revoke or deny future participation.; and

(f) The TECH Implementer is authorized to submit a Tier 2 Advice Letter seeking revisions to Appendix B if, upon agreement with the Commission's Energy Division staff, revisions are necessary to improve program outcomes.

37. 36. The Technology and Equipment for Clean Heating (TECH) Initiative contracting agent shall:

(a) Modify the existing contract, no later than 3045 days after issuance of this decision, with the TECH Initiative implementer and evaluator to disburse the $40 million in new Assembly Bill (AB) 157 funding in proportions consistent with Decision 23-02-005;

(b) Within 15 days of modifying the contract, file a Tier 1 Advice Letter seeking Energy Division approval of the modified contract and updating Southern California Edison Company's tariffs for Assembly BillAB 157's new TECH Initiative funding;

(c) Create a sub-account no later than 3045 days after the issuance of this decision under the Building Decarbonization Pilot Program Balancing Account to differentiate the source and use of funds for Assembly BillAB 157's new TECH Initiative funding;

(d) Deposit Assembly BillAB 157 funds, no later than 3045 days after issuance of this decision, into an interest-bearing account, with all accrued interest disbursed to the TECH Initiative implementer for use in program incentives, upon written request to Southern California Edison Company; and

(e) Work with the TECH Initiative implementer to identify and track the source and use of Assembly BillAB 157 funds within the Building Decarbonization Pilot Program Balancing Account.

38. 37. Beginning with the second quarterly report in 2025six months following the launch of incentives, the Technology and Equipment for Clean

Heating (TECH) Initiative implementer and evaluator shall submit ~~quarterly~~ reports every six months by serving it on the service list of R.19-01-011 and providing the following data on projects funded by Assembly Bill (AB) 157:

~~(a) The estimated reduction in peak natural gas demand for all seasons from the Aliso Canyon natural gas storage facility, measured at the Centum Cubic Feet (ccf)/hour level for each City of Los Angeles community identified in AB 157 (Porter Ranch, Granada Hills, Northridge, Chatsworth, North Hills, Canoga Park, Reseda, Winnetka, West Hills, Van Nuys, and Lake Balboa). Reporting shall include:~~

~~(i) The average reduction across peak morning hours (5:00 a.m. – 10:00 a.m.) on the three coldest and three hottest days of the year;~~

(f) ~~(ii) The hourly~~Natural gas demand reduction ~~during each of these five hours~~from the Aliso Canyon natural gas storage facility;

~~(iii) The total annual average gas demand reduction, measured in ccf/day or MMcf/day, in each of these communities;~~

(a) The number of heat pump installations, installations of other eligible measures adopted in this decision, and the total number of incentives provided to both single-family and multi-family building residents;

(b) Strategies implemented to prevent the expenditure of AB 157 funds from contributing to tenant displacement in upgraded rental housing units and to limit cost impacts on tenants;

(c) Strategies employed to target communities in the San Fernando Valley area, inclusive of the Aliso Canyon Disaster Area, and, if applicable after 2027, to Southern California Gas customers outside of the ~~designated communities~~San Fernando Valley area. The report shall demonstrate how these strategies support long-term market development for both market-rate and low-income customers;

(d) The percentage of AB 157-funded TECH Initiative incentives allocated to low-income customers relative to the total program funds;

(e) The geographic distribution area and project types (e.g., comprehensive home electrification, or heat pump installations in multi-family housing complexes) targeted by TECH Initiative funding, with justification for allocation decisions; and

(f) Workforce training efforts funded through AB 157, including strategies for recruiting, training, and supporting workers in low-income communities.

39. ~~38.~~ All assigned Commissioner and Administrative Law Judge rulings issued to date are affirmed.

40. ~~39.~~ Rulemaking 19-01-011 remains open.

This decision is effective today.

Dated ~~_____, at _____~~ _____ at Sacramento, California.

APPENDIX A

Electric Utilities New Reporting Requirements Established by D.XX-XX-XXX

APPENDIX B
TECH Tenant Protection Agreement

Summary report: Litera Compare for Word 11.6.0.100 Document comparison done on 6/10/2025 8:09:33 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: original.docx	
Modified filename: (Rev. 1) R.19-01-011 Phase 4 Track A Decision Establishing New Electric Service (updated).docx	
Changes:	
Add	1598
~~Delete~~	1660
~~Move From~~	0
Move To	0
Table Insert	1
~~Table Delete~~	4
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	3263