

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

ENERGY DIVISION

Agenda ID# 23477  
RESOLUTION E-5367  
July 24, 2025

**R E D A C T E D**  
**R E S O L U T I O N**

Resolution E-5367. Pursuant to Decision 24-05-065, Approving with Modifications Pacific Gas & Electric Company's and Southern California Edison Company's DAC-GT Cost Containment Cap Proposal Update.

PROPOSED OUTCOME:

- Approves, with modifications, Pacific Gas & Electric Company's (PG&E's) and Southern California Edison Company's Joint Advice Letter (AL) 7363-E-A and 5362-E-A.

SAFETY CONSIDERATIONS:

- There are no expected safety implications with approval of this Resolution.

ESTIMATED COST:

- The full cost to implement the DAC-GT program has yet to be determined. The impact on rates cannot be estimates at this time as this program is funded through utility greenhouse gas auction allowance proceeds and/or public purpose program funds.

By PG&E AL 7363-E-A and SCE AL 5362-E-A Filed on November 6, 2024.

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**SUMMARY**

This Resolution approves, with modifications, Pacific Gas & Electric Company's (PG&E's) Advice Letter (AL) 7363-E-A and Southern California Edison Company's (SCE's) AL 5362-E-A to update the cost containment cap for the

Disadvantaged Communities Green Tariff (DAC-GT) program, pursuant to Decision 24-05-065.

## **BACKGROUND**

The Disadvantaged Communities Green Tariff (DAC-GT) program provides 100 percent clean energy at a 20 percent total bill discount to residential customers who reside in DACs, as defined by Decision (D.) 18-06-027 *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities*.<sup>1</sup> Resolution E-4999, issued on June 3, 2019, approved with modifications, the tariffs to implement the DAC-GT program and established a cost cap of “200 percent of the maximum executed contract price in the previous Renewable Auction Mechanism’s as-available peaking category or the previous Green Tariff, whichever is higher.”<sup>2</sup> A numeric auction clearing price cap or “cost cap” is a threshold at which an investor-owned utility (IOU) or Community Choice Aggregator (CCA) is not required to execute a Power Purchase Agreement (PPA). A cost containment cap was applied to the DAC-GT program by the Commission in order to limit non-participating ratepayer subsidization of the program and its expenditures.

On May 30, 2024, the Commission issued D.24-05-065 *Decision Modifying Green Access Program Tariffs and Adopting a Community Renewable Energy Program*, which among other directives, evaluated the current DAC-GT program and determined that it was reasonable for the Commission to update the DAC-GT program’s cost containment cap to reflect current market prices and developer costs. D.24-05-065 Ordering Paragraph (OP) 4 required Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE), and participating CCAs to work together to develop an agreed upon proposal for updating the DAC-GT cost containment cap. The Decision further required that the cost containment cap reflect the option for pairing storage and that PG&E and SCE submit a Tier 2 advice letter proposing a method for updating the cost containment cap.

On August 28, 2024, SCE on behalf of itself and PG&E (collectively, the Joint IOUs), submitted joint advice letter SCE AL 5362-E and PG&E AL 7363-E to

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<sup>1</sup> D.18-06-027 at 74.

<sup>2</sup> Ibid. at 36 and OP 1dd.

propose an updated cost containment cap methodology for the DAC-GT program. The Joint IOUs' note that in order to develop a proposal and update the cost cap, they convened two meetings with participating DAC-GT CCA Program Administrators (PAs) on July 18 and July 24, 2024 and corresponded over email. The participating CCAs (Joint Community Choice Aggregators or Joint CCAs) included Ava Community Energy, Clean Power Alliance of Southern California, the City and County of San Francisco, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy Authority, Pico Rivera Innovative Municipal Energy, San Diego Community Power, San Jacinto Power, and San José Clean Energy.

The Joint IOUs filed both public and confidential versions of the AL. The public filing outlines the two cost containment methodology elements that the Joint IOUs and Joint CCAs agreed upon: a Benchmark Value Reference Price (CBVRP) and a DAC Percentage Multiplier (Multiplier). The public filing also outlines the Joint IOUs' detailed implementation proposal. The confidential filing includes Confidential Appendix A which details the Joint IOUs' characterization of the Joint CCAs' proposal and Confidential Appendix B which summarizes the Joint IOUs' comments on the Joint CCA proposal.

SDG&E was not required to file an AL because D.24-05-065 authorized the utility to terminate its DAC-GT tariff so as not to burden its small number of remaining customers with costs.<sup>3</sup> The Decision explains that many of the utility's customers migrated to unbundled CCA service in SDG&E's territory, which meant that these remaining customers would have to pay for a larger share of DAC-GT program costs.<sup>4</sup>

The Joint AL outlines the agreed upon cost containment cap methodology between the IOUs and participating CCAs, and summarizes different IOU and CCA proposals on how to implement the cost containment cap. The agreed upon methodology includes a CBVRP, which is an average of historical executed power purchase agreements (PPAs) for specified technology types over a specified period of time, and a Multiplier, which is a fixed percentage applied to

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<sup>3</sup> D.24-05-065 at 140, COL 30 and OP 3(c).

<sup>4</sup> Ibid at 139.

the CBVRP in order to account for the perceived regional differences and above-market costs of DAC-GT projects. When multiplied together, the resulting product of the CBVRP and the Multiplier is the cost containment cap.<sup>5</sup> Table 1 below summarizes the Joint IOUs' and Joint CCAs' different containment cost cap proposals.

**TABLE 1: Joint IOU and Joint CCA DAC-GT Cost Containment Cap Proposals**

<b>Components of Cost Containment Cap Framework</b>	<b>Joint IOU Proposal</b>	<b>Joint CCA Proposal</b>
<b>Confidential Benchmark Value Reference Price (CBVRP)</b>	Calculated by each IOU or CCA based on a pool of its competitively solicited PPAs for similar resources and contract types over the past 5 years <sup>6</sup>	Commission Staff should conduct a statewide survey to establish a single CBVRP that applies uniformly across all Load Serving Entities <sup>7</sup>
<b>Public DAC Percentage Multiplier</b>	120% Multiplier <sup>8</sup>	175% Multiplier <sup>9</sup>
<b>Cost Containment Cap</b>	CBVRP x Multiplier	CBVRP x Multiplier

The IOUs' characterization of the Joint CCAs proposal suggests that the CCAs believe a 175 percent Multiplier is justified because 1) DAC-GT projects are small and subject to siting restrictions in DACs and 2) there is limited experience with procuring small scale solar and storage resources and a higher Multiplier provides necessary flexibility to account for the associated price differences. The Joint IOUs' proposal differs from the Joint CCA proposal as it suggests that a higher Multiplier is no longer appropriate or reasonable given that 1) the Commission has greatly expanded the area available for DAC-GT projects, which should reduce developers' costs and 2) another community solar program, the Enhanced Community Renewables Program, has already adopted a much lower Multiplier of 120 percent in order to limit non-participating ratepayer exposure.

<sup>5</sup> Joint IOU AL SCE AL 5362-E/PG&E 7363-E at 2.

<sup>6</sup> Ibid at 3-4.

<sup>7</sup> Ibid at 4.

<sup>8</sup> Ibid at 5-6.

<sup>9</sup> Ibid at 5.

After presenting summaries of both proposals, the Joint IOUs request that the Commission should continue to limit customers' exposure by adopting a 120 percent multiplier because the DAC-GT program is partially funded by Public Purpose Program (PPP) charges, which are paid for by all customers.

The Joint IOUs' proposal would allow each IOU and CCA to calculate its own CBVRP to capture contractual differences, locational pricing differences, and other Load Serving Entity (LSE) specific attributes that developers consider when developing a bid price. The CBVRP would be set by pooling prices from a comparable set of competitively solicited power purchase agreements (PPAs) the entity executed for (1) similar resources, e.g., solar, solar with paired energy storage (hybrid or co-located), wind, and (2) similar contract types, e.g., resource adequacy capacity contract, RPS contracts for fully deliverable capacity, or RPS contracts with energy-only capacity, (3) in the last five years. Under this design, each IOU and CCA will perform this survey of its executed contracts, as opposed to the Commission's Energy Division conducting a statewide survey of all pricing for all resources and types of contracts. The Joint IOUs' proposal suggests that this will allow the IOUs and CCAs the flexibility to set the cap for both solar-only and solar and storage resources without imposing an identical methodology on other entities.

Confidential Attachment A summarizes the Joint IOUs' characterization of the Joint CCAs' CBVRP proposal for solar-only projects and solar and storage projects.

[REDACTED]


[REDACTED]							

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

In Confidential Attachment B, the Joint IOUs disagree with the Joint CCAs' proposal [REDACTED]

[REDACTED] The Joint IOUs contend that under the Joint CCAs' methodology, if made public, it would be too easy for developers to discern the price, apply the public Multiplier, and bid at the cap. This could effectively eliminate cost competitiveness in the solicitation process and result in ratepayers paying higher-than-necessary subsidies to the program.

[REDACTED] the IOUs contend that Joint CCAs' CBVRP proposal unnecessarily burdens the Commission's Energy Division by requiring it to conduct a statewide survey of all power procurement projects. [REDACTED]



On September 17, 2024, the Joint CCAs, the Coalition for Community Solar Access (CCSA), Public Advocate's Office (Cal Advocates), and Solar Energy Industries Association (SEIA) submitted timely protests. On the same day, Dimension Energy, LLC (Dimension) also submitted a response. On September 24, 2024, the Joint IOUs submitted a reply to the protests.

On November 6, 2024, SCE and PG&E jointly submitted supplemental AL SCE 5362-E-A and PG&E AL 7363-E-A, replacing the original AL and its confidential version in their entirety. In their supplemental AL, SCE and PG&E include a discussion in supplemented confidential Appendix A that provides a more detailed justification for the confidentiality of information in Appendices A and B, and provides additional public information in the non-confidential body of the AL. The supplemental also provides a very brief non-confidential summary of the Joint CCAs' proposal, stating that it is to develop a CBVRP for solar-only and both hybrid and co-located solar and storage resources and would require the Commission's Energy Division staff to survey pricing data to set the CBVRP. The Joint IOUs also clarify that their proposal sets a cost containment cap for both solar-only and solar and storage resources. Further, the Joint IOUs' supplemental posits that DAC-GT PAs have broad discretion in implementing customer and procurement programs on behalf of the Commission and therefore PAs should independently survey their own data to set the appropriate CBVRP and undergo a reasonableness check by each IOU's existing Procurement Review Group (PRG) Independent Evaluator.<sup>10</sup> Lastly, the Joint IOUs' supplemental

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<sup>10</sup> D.02-08-071 required each IOU to establish a PRG, whose members, subject to an appropriate non-disclosure agreement, have the right to consult with and review the details of 1) each utility's overall interim procurement strategy; 2) proposed procurement contracts with the utilities before any of the contracts are submitted to the Commission for expedited review, and 3) proposed procurement processes including but not limited to Requests For Offers (RFOs), which result in contracts being entered into in compliance with the terms of the RFO.

reiterates rebuttal arguments from their reply to the initial protests stating that: 1) the existing 200 percent Multiplier is no longer appropriate or reasonable given the Commission's expansion of DAC-GT's geographic requirements and 2) a 120 percent Multiplier is reasonable and necessary to protect non-participating customers, who partially fund the program through the public purpose program (PPP) charge, from above market costs.

On November 26, 2024, the Joint CCAs submitted a protest and Dimension submitted a response to the supplemental AL.

On December 5, 2024, the Joint IOUs submitted a reply to the Joint CCAs' protest and to Dimension's response.

## **NOTICE**

Notice of SCE 5362-E-A and PG&E 7363-E-A was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Joint Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

## **PROTESTS, RESPONSES, AND REPLIES**

In its protest of the initial advice letter, the Joint CCAs argue that the Joint IOUs' proposal 1) creates discriminatory results for Program Administrators (PAs) procuring in the same service territory by implementing an IOU- or CCA-specific survey of contracts and resource types, 2) does not provide sufficient parameters to protect customers, 3) should calculate the CBVRP based on a statewide survey conducted by the Commission's Energy Division staff, and 4) that it is unreasonable to establish a standard Multiplier until the CBVRP is known. The Joint CCAs argue that since the cost containment cap will apply to each IOU's service territory (which includes participating CCA service areas) there is no justification for why a cost cap should be different for IOU or CCA resources being procured within the same service territory. The Joint CCAs argue that the Joint IOUs' proposal is vague in defining the type and price of contracts that should be used to calculate the CBVRP. Therefore, the Joint CCAs argue that the Joint IOU proposal fails to protect ratepayers because it does not clearly define the specific pool of resource contracts to be used to set the CBVRP and that any

reasonableness review of the IOUs' CBVRPs by an independent evaluator would be subjective.

Further, the Joint CCAs disagree with the Joint IOUs' assertion that requiring the Commission's Energy Division staff to conduct a statewide survey of resource contracts is burdensome because the Joint CCAs argue that the pool of executed contracts is limited. Instead, the Joint CCAs argue that it would be more burdensome for the Commission's Energy Division staff to review and enforce an individual cost containment cap for each PA.

Lastly, the Joint CCAs contend that the appropriate Multiplier cannot be selected without first determining the CBVRP. The Joint CCAs argue that the Joint IOUs' proposal does not determine a set value for the CBVRP and that a 120 percent Multiplier is likely too low to ensure program success and would not reflect current market prices.

In their protests to the initial AL, both SEIA and CCSA request that the Commission adopt the Joint CCAs' proposal that includes a 175 percent Multiplier and establishing a CBVRP based on a statewide survey of energy contracts as determined by the Commission's Energy Division staff. SEIA also argues for separate cost containment caps for solar-only and solar and storage projects and that the cost containment caps should be made public.

In Cal Advocates' protest to the original AL, it argues that if the AL is not rejected by the Commission for failing to propose a single joint proposal as required by D.24-05-065 OP 4, then the Commission should adopt a modified version of the Joint IOUs' proposal. Cal Advocates goes further than the Joint IOUs' Multiplier proposal and argues that a 110% rather than 120% Multiplier should be applied for projects located within the 5-mile radius outside of DAC census tracts. Cal Advocates argues that a 110% Multiplier is justified because it would ensure more cost-effective project deployment adjacent to DACs and further limit the cost impact of the program to non-participating ratepayers. Additionally, Cal Advocates argues that the cost containment cap should include IOU- and CCA-specific CBVRPs because different regions across the state have unique resource availability, including transmission and distribution constraints which lead to varying energy costs. Cal Advocates argues that IOU- and CCA-

specific CBVRPs would encourage more cost-effective and responsive resource deployment.

Dimension's response to the initial AL agrees with the Joint CCAs' proposal that the CBVRP should be set statewide based on a large pool of contracts including various locations, resource types, and load serving entities in order to best reflect market dynamics in California. Second, Dimension agrees with the Joint CCAs' proposal that a minimum of 175% Multiplier should be used to account for the higher cost of small-scale solar and storage projects. Lastly, Dimension argues that the Joint CCAs' cost containment cap methodology deemed confidential in SCE AL 5362-E and PG&E AL 7363-E should be made public so that developers can have sufficient information in order to submit conforming bids.

### **Joint IOUs' Reply to Protests and Response**

On September 24, 2024, the Joint IOUs submitted a timely reply to the protests and response on the initial Joint AL. The Joint IOUs argue that 1) they have complied with D.24-05-065 OP 4, 2) the CBVRP must remain confidential, 3) specific IOU and CCA CBVRPs must be adopted, and 4) the 120% Multiplier is appropriate.

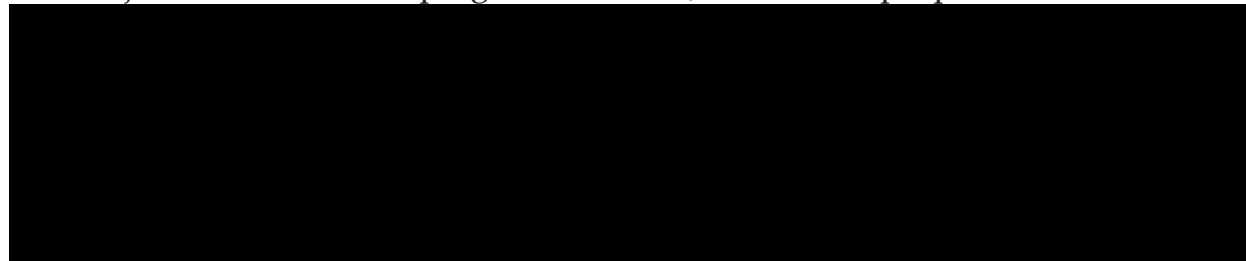
First, the Joint IOUs refute Cal Advocate's request that the Commission reject the AL, arguing that they carried out the requirements of OP 4 by convening several meetings with the Joint CCAs and corresponding by email before submitting the required AL that proposed an update to the cost containment cap methodology. Second, the Joint IOUs refute SEIA and Dimension's request for transparent pricing, stating that publishing the cost containment cap in its entirety would eliminate any incentive for developers to submit competitively priced bids and would instead result in bids priced at the cap – effectively negating its purpose. Third, the Joint IOUs note that Cal Advocates concurs with their proposal for separate IOU and CCA CBVRPs and refute SEIA, CCSA, and Dimension's arguments. The Joint IOUs reiterate that separate CBVRPs are necessary due to each PA's different program MW allocations, needs, and geographies. The Joint IOUs argue that their proposed cost cap is based on prices from a comparable set of competitively solicited PPAs for similar resources over a five-year period for each IOU or CCA and would be independently reviewed before solicitation launch. Fourth, the Joint IOUs argue that SEIA, CCSA, and Dimension's request

for a 175% or higher Multiplier is not justified given that PG&E and four participating CCAs have procured all, or nearly all, of their program capacity and the eligible DAC boundaries have been expanded, improving site selection opportunities.<sup>11</sup> According to the Joint IOUs, this proves that the success, or lack thereof, of the DAC-GT program to date is not a valid justification for retaining a higher Multiplier for project development. Rather, the Joint IOUs argue that maintaining such a high Multiplier would overcompensate developers and would be imprudent considering current rate affordability challenges.

### **Summary of the Supplemental Filing**

Following the filing of AL 5362-E/7363-E, Energy Division requested that the Joint IOUs better substantiate why certain information was marked confidential in the AL filing and be more precise in selecting the information marked as confidential. On November 26, 2024, SCE and PG&E submitted their joint supplemental AL for the purpose of (1) providing more detailed justification for the IOUs' position that the Joint CCAs' CBVRP methodology proposal should be confidential and (2) rearranging their joint advice letter to include public information in the non-confidential body of the AL. The Joint IOUs provide additional brief details of the Joint CCAs' proposal, stating that it is to develop a CBVRP for solar-only and both hybrid and co-located solar and storage resources and would require the Commission's Energy Division staff to survey pricing data to set the CBVRP.

In Confidential Appendix B of the supplemented AL, the Joint IOUs provide further justification for keeping much of the Joint CCAs' proposal confidential.



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<sup>11</sup> D.24-05-065 notes that the prior DAC-GT program required that projects be sited in the top quarter of disadvantaged communities within the service territory of the respective utility or CCA, which led to fewer projects being eligible. In order to soften this requirement to enable more projects to be eligible, the Decision expanded the DAC-GT site requirements such that eligible projects are located no more than five miles from any DAC-GT-eligible community.



### **Protest and Response to the Joint IOUs' Supplemental AL**

On November 26, 2024 the Joint CCAs submitted a timely protest to SCE 5362-E-A and PG&E AL 7363-E-A and Dimension submitted a response.

Energy Division issued a notice to the A.22-05-022 service list reopening the protest period for SCE AL 5362-E-A and PG&E AL 7363-E-A for 20 days after the date of the joint advice letter. Per GO 96-B, new protests were limited to the substance of the supplement and were due November 26, 2024.

The Joint CCAs' protest argues that 1) the Joint IOUs provided no evidence to substantiate their claim that the cost containment cap could become publicly known and the risk is not unique to the Joint CCAs' proposal, and 2) it is unreasonable to broadly, rather than selectively, apply confidentiality concerns to portions of the Joint CCAs' proposal. Doing so has concealed much of the Joint CCAs' proposal from public view, which they argue is not, in itself, confidential. The Joint CCAs argue against the Joint IOUs' claim that the Joint CCAs' proposal releases confidential cost containment cap signals and that developers have engaged in certain types of practices. The Joint CCAs argue that if developers were motivated to discover the cost containment cap, then they could do so under any methodology, not just the methodology used for DAC-GT.

In its response to the supplemental AL, Dimension argues that confidentiality of the Joint CCA proposal 1), lacks justification and 2), weakens collaboration and compromises program outcomes. Specifically, Dimension requests that the Commission make public the confidential details of the proposed price cap methodologies so that all interested parties, rather than a limited few, have an opportunity to provide feedback. Dimension argues that it is difficult to comment on the Joint IOU and Joint CCAs' proposals if they are mostly kept confidential and that keeping them confidential risks creating unnecessary

barriers and failed solicitations. Secondly, Dimension notes that the cost cap methodologies for the current DAC-GT and Green Tariff programs and the previous Renewable Auction Mechanism have been made public without compromising market integrity.

### **Joint IOUs' Reply to Protest and Response**

On December 5, 2024, the Joint IOUs submitted a reply to the Joint CCAs' protest of SCE 5362-E-A and PG&E AL 7362-E-A and Dimension's response. The Joint IOUs refute the Joint CCAs' claim that confidentiality is inappropriate by stating that 1) confidential treatment of the Joint CCAs' methodology for establishing the CBVRP is consistent with Commission decisions, 2) confidential treatment is important to protect the integrity of DAC-GT solicitations and customer affordability, and 3) the Joint CCAs' advocacy for their proposed pricing methodology should be disregarded. The Joint IOUs note that the Commission Matrix of Allowed Confidential Treatment IOU Data (IOU Matrix) defines "market sensitive" information as "information with the potential to affect the market for electricity in some way" and that the party seeking to make such information public bears the burden of providing why such information should be disclosed. The Commission's IOU Matrix is a document that identifies the confidentiality protections to be applied to categories of information relevant to electric procurement.<sup>12</sup> The Joint IOUs reiterate their arguments in favor of confidential treatment from their initial and supplemental AL and argue that the Joint CCAs' have failed to provide any justification for making the Joint CCA proposed methodology public. The Joint IOUs refute Dimension's argument that making the Joint CCAs' methodology public would allow feedback from parties by pointing out that only market participants should compete to bid a winning project without being influenced by knowledge concerning the cost containment cap. Therefore, market participants like Dimension were restricted from accessing the confidential proposal, while parties such as Cal Advocates had full access and opportunity to provide feedback. Further, the Joint IOUs emphasize that the Commission has broad discretion to determine whether confidential information should be shared publicly and argues the Commission should err on the side of confidentiality to protect customers from rising rates. Lastly, the Joint

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<sup>12</sup> D.06-06-066 as modified by D.07-05-032, Appendix 1.

IOUs note that Joint CCAs' protest reiterates prior arguments to adopt their proposed methodology rather than following the Division's instructions to limit protests to only the new material in the supplemental AL.

## **DISCUSSION**

### **Cal Advocate's Request to Reject or Modify the Joint IOUs' AL**

We deny Cal Advocates' request in its protest of AL 5262-E/7262-E to reject the Joint IOUs' AL. We find that the Joint IOUs fulfilled D.24-05-065 OP 4 by through meetings and email correspondence and the timely filing of a Tier 2 AL proposing a method for updating the DAC-GT cost containment cap. While the Joint IOUs and Joint CCAs did not fully agree on all areas of the proposed cost containment cap methodology, the Joint IOUs detailed the areas of agreement and disagreement in their AL.


### **Methodology for Setting the CBVRP**

We approve the Joint IOUs' proposal that each DAC-GT Program Administrator should survey its executed contracts and set its own CBVRP by pooling prices from a comparable set of competitively solicited power purchase agreements (PPAs) the entity executed for (1) similar resources, e.g., solar, solar with paired energy storage (hybrid or co-located), wind, and (2) similar contract types, e.g., resource adequacy capacity contract, RPS contracts for fully deliverable capacity, or RPS contracts with energy-only capacity, (3) in the last five years. In light of comments made on the Draft Resolution, we further define comparable projects as those sized between 500 kW and 20 MW. Each IOU and CCA will perform this survey of its executed contracts and submit for a reasonableness review by an Independent Evaluator or Reviewing Representative. Should a CCA lack historical executed contracts from which to draw upon for one or more of the categories above, we authorize DAC-GT CCA PAs to use the Reviewing Representative process, defined later in this resolution, according to the following steps:

1. The Reviewing Representative (RR) executes the Commission-approved non-disclosure agreement and receives the relevant IOU's CBVRP.
2. Thereafter, the RR reviews all the CCA's available data to determine if the CCA has enough information to design its own CBVRP.

3. Only if the CCA does not have sufficient information would the RR use the relevant IOU's CBVRP, along with any other information it deems relevant, to inform its setting of the CCA's CBVRP.
4. The RR will provide only the final CBVRP value it determined for the CCA without any supporting detail or explanation as to what components it relied upon to develop the CCA's CBVRP.
5. Due to the market sensitive nature of the CBVRP, the CCAs are prohibited from sharing their respective CBVRPs with one another. Instead, each CCA's respective RR provides the CCA with a CBVRP, which may be the same as another CCA's CBVRP, but no CCA would be aware that it has the same CBVRP as another.

We find that the Joint CCAs' original proposal is not reflective of market conditions and could harm non-participant affordability by increasing the DAC-GT program subsidy. We agree with Cal Advocates and the Joint IOUs that that SEIA, CCSA, and Dimension's request for a 175% or higher Multiplier is not justified given that D.24-05-065 relieved developers of prior DAC-GT Program's complex (and thus, costlier) siting requirements. Our expectation is that by relaxing geographic boundaries for project siting, some DAC-GT projects costs should decline.<sup>13</sup> Therefore, adopting a 140 percent Multiplier is reasonable and balances limiting risk to non-participating customers with potential near-term market changes.



### **Independent Review of Each Program Administrator's CBVRP**

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<sup>13</sup> D.24-05-065 notes that the prior DAC-GT program required that projects be sited in the top quarter of disadvantaged communities within the service territory of the respective utility or CCA, which led to fewer projects being eligible. In order to soften this requirement to enable more projects to be eligible, the Decision expanded the DAC-GT site requirements such that eligible projects are located no more than five miles from any DAC-GT-eligible community.

We find it reasonable for each DAC-GT Program Administrator to independently survey their own procurement data and set the CBVRP based on the parameters discussed in the methodology section above. Further, we find it reasonable for SCE and PG&E to submit their CBVRP and associated workpapers to each IOU's existing Procurement Review Group (PRG) Independent Evaluator (IE) for a one-time initial review and assessment of its reasonableness prior to the launch of future DAC-GT solicitations. SCE and PG&E shall include the PRG IE's DAC RFO report evaluating the reasonableness of each IOU's respective CBVRP as an attachment to their future Tier 2 DAC-GT Power Purchase Agreement advice letters directed out of Decision 18-06-027, and Resolutions E-4999, E-5102, E-5124, E-5130, and E-5246.

Since Participating DAC-GT CCA PAs do not participate in IOU PRGs, we authorize them to contract with and recover costs for a similar independent third-party IE or Reviewing Representative (RR) to determine an appropriate CBVRP and/or provide a one-time initial review and assessment of the reasonableness of their CBVRP and associated workpapers prior to the launch of future DAC-GT solicitations. These costs should be billed and tracked to each PA's DAC-GT Regulatory Compliance budgets and reported in each PA's Annual Budget Advice Letter (ABAL).<sup>14</sup> Specifically, DAC-GT CCA PAs should include the following additional information in their ABAL:

- Total contract cost of the third-party review;
- Scope of work performed by the third-party;
- Procurement method used to select the third-party evaluator; and
- Explanation of how the selected vendor and contract price represents a reasonable and prudent use of ratepayer funds.

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<sup>14</sup> DAC-GT Program Administrators are required to file a Tier 2 ABAL by April 1st of each year for the following program year. Each ABAL must include line items for any above-market generation cost, the 20 percent bill discount for all participating customers, program administration costs, and marketing, education and outreach (ME&O) funding. Program administration is capped at 10 percent and ME&O at 4 percent of each PA's budget respectively. PAs have the ability under Resolution E-5125 to seek approval to exceed the 10 percent cost cap, provided they include sufficient rationale. See Resolution E-5125, Approves with Modification Pacific Gas and Electric Company's and Southern California Edison Company's Requests to Adjust Administrative & Marketing Budget Caps for the Disadvantaged Communities Green Tariff and/or Community Solar Green Tariff programs, August 6, 2021, OP 2 at 11.

Each DAC-GT CCA PA shall include the independent third-party IE's or RR's CBVRP determination and/or report on the conclusions of the reasonableness of each participating CCA's respective CBVRP as an attachment to its future executed DAC-GT Power Purchase Agreement advice letters.<sup>15</sup>

### **Multiplier Percentage**

We approve the Joint CCAs' 140 percent Multiplier proposed in comments on the Draft Resolution as it balances both the program's need to accommodate potential near-term market changes while limiting risk to non-participating ratepayers. The Joint IOUs' proposed 120% Multiplier may be too low to result in viable project bids and a 140% Multiplier may improve the likelihood of successful bids, accommodate foreseeable near-term market changes, and still mitigate concerns about a higher cost containment cap as raised in the Draft Resolution.

While Cal Advocates suggests an even lower 110 percent Multiplier for projects within 5 miles outside of DAC census tract boundaries, we find this adds complexity to the procurement process to require two different Multipliers based on project location. A 140 percent Multiplier also accounts for any additional above-market cost that may be associated with DAC-GT's additional program eligibility requirements.

In the event that a PA receives zero conforming bids 1) at or below the cost containment cap and 2) the bids otherwise meet all program requirements as established by the Commission, the PA may propose and justify an adjustment to its cost containment cap Multiplier via a Tier 2 AL submittal. The PA's proposed adjusted cost containment cap Multiplier must be substantiated by a PA's solicitation results and must not exceed 175% of the CBVRP. In the PA's advice letter filing, subject to confidential treatment of market sensitive data, the PA must summarize the results of its unsuccessful solicitation, including the number of bids received, the percentage of bids that exceeded the cost containment cap,

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<sup>15</sup> Resolutions E-4999, E-5102, E-5124, E-5130, and E-5246 outlined requirements for each DAC-GT Program Administrator to issue their first Request for Offers within 60 days of Commission approval of their solicitation documents and, after competitively selecting the winning bids and negotiating the final contracts, submitting the executed Power Purchase Agreements for Energy Division review via Tier 2 AL.

and if the bids would have fulfilled program requirements. After approval of the PA's advice letter, the PA may adjust the Multiplier for its cost containment cap for all future solicitations.

### **Confidentiality of DAC-GT Cost Containment Cap**

We reject SEIA's request that the cost caps be made public. We agree with the Joint IOUs that publishing the cost containment cap in its entirety would eliminate any incentive for developers to submit competitively priced bids and would instead result in bids priced at the cap. Furthermore, we agree with Cal Advocates and err on the side of confidentiality in order to protect customers from rising rates.

### **Confidential Treatment of Portions of Joint CCAs' Cost Cap Proposal**

D.06-06-066, as modified by D.07-05-032, states that the Commission has "broad discretion to determine whether confidential information submitted by regulated public utilities or other entities to the Commission should be shared with other parties. In exercising this discretion, the Commission will determine whether the public interest in keeping materials confidential outweighs the public interest in making them public." The Commission's IOU Matrix was later adopted to identify data that the IOUs may treat as confidential.

In its Confidentiality Declaration, attached as Appendix C of the AL 5352-E/7363-E, SCE, on behalf of the Joint IOUs, seeks confidential treatment of "pricing information" in Confidential Appendixes A and B. SCE states that Matrix Category VIII.B "Specific quantitative analysis involve in scoring and evaluation of participating bids" applies and that "Pricing information is confidential for three years from the selection of the winning bidders." Further, SCE, on behalf of the Joint IOUs, allowed appropriate parties (non-market participants or participants with non-financial interest) to obtain the confidential version of the AL upon execution of a non-disclosure agreement. Following the filing of AL 5362-E/7363-E, Energy Division requested that the Joint IOUs submit a supplemental AL to 1) better substantiate why certain information was marked confidential and 2) be more precise in selecting the information marked as confidential.

In the case of the Joint IOUs' confidential treatment of the Joint CCAs' methodology for establishing the CBVRP, we find that the Joint IOUs have shown that this procurement information is market sensitive and that publicizing it would lead to higher costs for ratepayers.

## **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review. Please note that comments are due 20 days from the mailing date of this resolution. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced.

Comments were timely filed on May 28, 2025 by Cal Advocates, the California Energy Storage Alliance (CESA), Dimension, the Joint CCAs, the Joint IOUs, and SEIA.

Below is a summary of the comments made on the Draft Resolution and their consideration.

### **Applying Administrative Cost Cap Safeguards to CBVRP Third-Party Review Costs**

Cal Advocates argues that while that the Draft Resolution states that one-time initial review and assessment costs should be billed and tracked to each PA's DAC-GT Regulatory Compliance budgets, it fails to establish any cost containment mechanisms or oversight. Therefore, Cal Advocates suggests that the Commission should revise the Draft Resolution to explicitly clarify that the cost of the third-party review is subject to the 10 percent administrative cost cap established by Resolution E-4999 or the requirement for PAs to provide (as outlined in Resolution E-5125) in their Annual Budget advice letters (ABALs), sufficient rationale as to why they exceeded their administrative cost cap.

Specifically, Cal Advocates requests that the Commission require the DAC-GT CCA PAs to include the following information in their ABAL:

- Total contract cost of the third-party review;
- Scope of work performed by the third-party;
- Procurement method used to select the third-party evaluator; and
- Explanation of how the selected vendor and contract price represents a reasonable and prudent use of ratepayer funds.

We find this request reasonable and have modified the Resolution accordingly.

### **Revisions to the CBVRP**

Dimension argues that the Draft Resolution is likely to limit DAC-GT participation to standalone solar projects by adopting IOU- or CCA-specific market benchmarks which may lack sufficient historical solar plus storage projects rather than adopting a statewide benchmark. Dimension suggests that the Commission should adopt the Joint CCAs proposal to draw from a broader set of statewide projects that includes solar plus storage projects to establish the CBVRP. CESA also raises similar concerns that the proposed pool of contracts used to calculate the CBVRP in the Draft Resolution does not include solar plus storage resources. CESA suggests that the Commission should consider allowing PAs to rely on a statewide pool of representative contracts as proposed by the Joint CCAs or instruct the PAs to work with their PRGs or IEs to adopt an appropriate adder.

The Joint CCAs posit that all PAs (including CCAs) do not have access to a sufficient pool of executed, comparable PPAs. They recommend that the Commission define comparable projects as those sized between 500 kW and 20 MW to ensure objectivity and consistency in the reasonableness review. Secondly, they argue that the Draft Resolution defines "comparable" contracts too narrowly – focusing on resource and contract type – while omitting critical cost drivers like project size. Thirdly, they argue that the fallback option of allowing CCAs to adopt IOU-developed CBVRPs is not reasonable as they often differ in program size, procurement scale, and resource expectations. For CCAs using the CBVRP set by the IOU, it is critical that the CCA PAs be provided the opportunity to review the IOU's methodology and be able to comment and/or protest if necessary. Lastly, the Joint CCAs note that the framework fails to

incorporate a viable offramp for situations where a bid fails to produce adequate solicitations.

Similar to the Joint CCAs' comments, SEIA suggests that the Draft Resolution should provide PAs with clear criteria for the selection of contracts that will be included in the pool of contracts used to set the benchmark. At a minimum, they suggest that the criteria should include:

1. Contracts for renewable resources which are 20MW or less
2. All renewable types should be considered "similar resources"
3. All contracts with similar resources 20MW or less should be included in the pool used to set the benchmark.

The Joint IOUs argue that it is critical that market sensitive information remain confidential to avoid inflated contract prices and the negative rate impacts that would follow if this information became publicly available. Specifically, the Joint IOUs state that the Draft Resolution's proposed authorization to share the confidential benchmark is inconsistent with Section 454.5(g) of the Public Utilities Code and that the Commission requires the IOUs to protect the data from disclosure to market participants and governmental entities subject to Public Records Act requests. The Joint IOUs recommend the use of Commission-approved nondisclosure agreements (NDAs) (as outlined below) to ensure market sensitive information remain confidential.

The Joint IOUs disagree with the Draft Resolution's provision allowing CCAs lacking historical executed contracts to use the CBVRP set by the IOU for the service territory in which they are located. Instead, the Joint IOUs propose to protect confidential market sensitive information using the Reviewing Representative (RR) process which will allow a qualified private third-party to review all relevant data, including, but not necessarily limited to, the Joint Utilities' contracts, and provide each CCA with an appropriate CBVRP.

D.06-12-030, issued December 2006, authorized market participants to designate as Reviewing Representatives outside experts, consultants or attorneys who meet the following criteria:

1. Reviewing Representatives may not currently be engaged, directly or indirectly, in (a) the purchase, sale, or marketing of

electrical energy or capacity or natural gas (or the direct supervision of any employee(s) whose duties include such activities), (b) the bidding on or purchasing of power plants (or the direct supervision of any employee(s) whose duties include such activities), or (c) consulting with or advising others in connection with any activity set forth in subdivisions (a) or (b) above (or the direct supervision of any employee(s) whose duties include such activities or consulting).

2. Reviewing Representatives may not be employees of market participants.
3. Reviewing Representatives shall use market sensitive data only for the purpose of participating in a formal Commission proceeding.
4. Reviewing Representatives shall execute a non-disclosure agreement and be subject to a protective order which precludes the Representatives from disclosing market sensitive information to anyone who is a market participant or who is an employee or an agent of a market participant.

D.11-07-028, issued July 2011, further clarified that all market participant parties can participate in Commission proceedings through the use of Reviewing Representatives and ensures the protection of market sensitive information, provides for open decision-making, and affords meaningful participation. The Decision also ordered the utilities to prepare the protective order and non-disclosure agreement for approval by advice letter. The Commission later approved SCE AL 3304-E (submitting the protective order and the nondisclosure agreement for Commission approval) with an effective date of November, 2, 2015.

The Joint IOUs suggest that the Commission authorize the following steps:

1. Under this alternative procedure, the Reviewing Representative (RR) executes the Commission-approved non-disclosure agreement and receives the relevant IOU's CBVRP.
2. Thereafter, the RR reviews all the CCA's available data to determine if the CCA has enough information to design its own CBVRP.

3. Only if the CCA does not have sufficient information would the RR use the relevant IOU's CBVRP, along with any other information, along with any other information it deems relevant, to inform its setting of the CCA's CBVRP.
4. The RR will provide only the final CBVRP value it determined for the CCA without any supporting detail or explanation as to what components it relied upon to develop the CCA's CBVRP.
5. Due to the market sensitive nature of the CBVRP, the CCAs are prohibited from sharing their respective CBVRPs with one another. Instead, each CCA's respective IE or RR provides them with a CBVRP, which may be the same as another CCA's CBVRP, but no CCA would be aware that it has the same CBVRP as another.

We find that the Joint CCAs' request to define comparable projects as those sized between 500 kW and 20 MW is reasonable and necessary in order to ensure objectivity and consistency when establishing each CBVRP. Additionally, we take note of the Joint IOUs' concerns with the Draft Resolution's provision allowing CCAs lacking historical executed contracts to use the CBVRP set by the IOU for the service territory in which they are located. In lieu of this original provision, we adopt the Joint IOUs' alternate procedure and authorize PAs to use the RR process including the steps listed above.<sup>16</sup> This Resolution has been modified accordingly.

### **Revisions to Multiplier**

CESA argues that proposed changes to federal Investment Tax Credit (ITC) levels could significantly alter project economics and potentially render the proposed 120% cost cap too restrictive. CESA suggests that the Commission adopt a dynamic framework that accounts for ITC variations or establishes a review process to adjust the cap as federal policies evolve.

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<sup>16</sup> The Joint IOUs' Reply Comments on pg. 3 note "The CCAs are familiar with this [Reviewing Representative] procedure and routinely use it to allow them to meaningfully participate in Commission proceedings, such as the ERRA Forecast proceedings. The CCAs can use the same parties on which they currently rely for RR services assuming they continue to qualify as RRs." For more detail on the ERRA Forecast Master Data Request and Reviewing Representatives process, see D.22-01-023, Decision Resolving Phase 2 Issues Related to Energy Resources Recovery Account Proceedings.

The Joint CCAs similarly posit that the 120% Multiplier is likely too low to receive viable project bids and should be increased to 140%. They argue that while some limited cost savings may result from this geographic expansion, the Draft Resolution treats project siting as the sole or primary driver of project costs for distributed projects of this scale. They further state that this reasoning ignores several factors that materially affect project costs and does not justify an 80% reduction in the Multiplier. The Joint CCAs notes that these factors include external economic pressures in the near term, the Commission's error in referencing the 120% Multiplier for the largely unsuccessful ECR program rather than the ECR Environmental Justice category's 200% Multiplier that is more akin to DAC-GT. The Joint CCAs recommend the Commission adopt a reasonable increase in the Multiplier to 140%. The Joint CCAs argue that a 140% Multiplier would improve the likelihood of successful bids by equipping PAs to better navigate the challenges with the proposed cost containment cap methodology and accommodate foreseeable near-term market changes while mitigating the Commission's concerns around a higher cost containment cap as raised in the Draft Resolution.

Additionally, the Joint CCAs argue that the Final Resolution must include a built-in contingency process. The Joint CCAs argue that the Final Resolution must address the possible scenario where a PA receives zero conforming bids at or below the cost containment cap but also meet all program requirements as established by the Commission. The Joint CCAs recommend that the Commission allow a contingency option for each PA to propose and justify an adjustment to their cost containment cap Multiplier via an advice letter submittal when zero conforming bids are received (1) at or below the cost containment cap and (2) otherwise meet all program requirements. The PA's proposed adjusted cost containment cap Multiplier must be substantiated by a PA's solicitations results and must not exceed 175% of the CBVRP. The Joint CCAs propose that in the PA's advice letter filing, subject to confidential protection of market sensitive data, the PA would summarize the results of their solicitation, including the number of bids received, the percentage of bids that exceeded the cost containment cap, and if the bids would have fulfilled program requirements. After Commission approval of the PA's advice letter, the PA may adjust the Multiplier for its cost containment cap.

SEIA also argues that the Multiplier must be increased in order to account for the increased cost of capital that developers now face as well as the significantly higher cost of solar and storage projects. SEIA continues to support the Joint CCAs' original proposal for a 175 percent Multiplier for solar plus storage projects and concede that a Multiplier no lower than 150 percent may be adequate for solar only projects.

We find that the Joint CCAs request for a 140 percent Multiplier is reasonable and balances both the need for accommodating potential near-term market changes while limiting risk to non-participating ratepayers. Additionally, we find the Joint CCAs' AL contingency option, allowing for each PA to propose and justify an adjustment to their cost containment cap Multiplier for all future solicitations according to the criteria listed above, to be reasonable. This process preserves Commission oversight while providing necessary flexibility for PAs to adapt to evolving conditions. The Resolution has been modified accordingly.

#### **Correction of Dimension's Comments on Cost Cap Methodology**

Dimension states that the Draft Resolution mischaracterizes Dimension's comments by stating "We reject SEIA's and Dimension's request that the cost caps be made public."<sup>17</sup> Dimension clarifies that it has not requested disclosure of specific cost cap prices, but rather has asked that the *methodology* proposed in the advice letter for determining cost caps be made public so that parties can analyze the full IOU and CCA proposals. The Discussion section of the Resolution has been modified accordingly.

#### **FINDINGS**

1. On June 22, 2018, pursuant to AB 327, the Commission adopted Decision (D.)18-06-027 creating the DAC Green Tariff (DAC-GT) program, which provides residential customers in DACs increased access to renewable generation.
2. On June 3, 2019, the Commission issued Resolution E-4999 which approved with modification, PG&E, SCE and SDG&E's tariffs to implement their DAC-GT and CSGT Programs.

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<sup>17</sup> Draft Resolution E-5367 at 15.

3. D.24-05-065 directed SCE and PG&E to file an advice letter to work together with participating CCAs and submit a Tier 2 advice letter proposing a method for updating the DAC-GT cost containment cap.
4. To satisfy the requirements in D.24-05-065, SCE and PG&E filed Joint AL 5362-E and 7363-E on August 28, 2024.
5. On September 17, 2024, CCSA, the Joint CCAs, Cal Advocates, and SEIA submitted timely protests and Dimension submitted a response to Joint AL SCE 5362-E and PG&E 7363-E.
6. On September 24, 2024, the Joint IOUs submitted a timely reply to the protests.
7. On November 6, 2024, SCE and PG&E jointly submitted supplemental AL SCE 5362-E-A and PG&E 7363-E-A, replacing the original joint AL in its entirety.
8. On November 26, 2024, the Joint CCAs submitted a protest and Dimension submitted a response to the supplemental joint AL SCE 5362-E-A and PG&E 7363-E-A.
9. On December 5, 2024, the Joint IOUs submitted a reply to the Joint CCAs' protest of SCE 5362-E-A and PG&E 7363-E-A and Dimension's response.
10. The Joint IOUs met the requirements under D.24-05-065 OP 4 and it is therefore reasonable to reject Cal Advocates' request that the Commission reject the Joint IOUs' AL.
11. It is reasonable to adopt the Joint IOUs' methodology for setting the CBVRP, including the Joint CCAs' and SEIA's suggestion to define comparable projects as between 500 kW and 20 MW, as it will capture pricing differences in contractual, locational pricing, and other LSE-specific attributes and will encourage more cost-effective and responsive resource development.
12. It is reasonable for SCE and PG&E to submit their Confidential Benchmark Value Reference Price (CBVRP) and associated workpapers to their respective Procurement Review Group (PRG) Independent Evaluators (IEs) for a one-time initial review and assessment and to include each IE report as an attachment to future DAC-GT power purchase agreements (PPA) ALs.
13. It is reasonable for each participating DAC-GT CCA PA to contract with an independent third-party Independent Evaluator or Reviewing Representative to determine an appropriate CBVRP and/or provide a one-time initial review and assessment of their CBVRP and associated workpapers and to include the third party's report as an attachment to future DAC-GT PPA ALs.

14. It is reasonable to adopt the Joint CCAs' 140 percent Multiplier because it balances the need for accommodating potential near-term changes with limiting risk to non-participating ratepayers.
15. It is reasonable to reject Cal Advocates' 110 percent Multiplier for projects within 5 miles outside of DAC census tract boundaries because it would add complexity to the program and would not account for the additional above-market costs associated with DAC-GT eligibility requirements.
16. It is reasonable to keep the DAC-GT cost containment cap confidential in order to better incentivize developers to submit competitively priced and in order to protect ratepayers from rising rates.
17. The Joint IOUs' request for confidential treatment of pricing information in Confidential Appendixes A and B of their advice letter is consistent with prior Commission decisions and necessary to protect the integrity of DAC-GT solicitations and customer affordability.

**THEREFORE IT IS ORDERED THAT:**

- 1) The request of the Southern California Edison (SCE) in advice letter 5362-E-A and Pacific Gas and Electric Company (PG&E) in advice letter 7363-E-A to approve their Disadvantaged Communities Green Tariff (DAC-GT) cost containment cap is approved with modifications.
- 2) Each Disadvantaged Communities Program Administrator (PA) shall survey its executed contracts and set its own Confidential Benchmark Value Reference Price (CBVRP) by pooling prices from a comparable set (sized between 500 kW and 20 MW) of competitively solicited power purchase agreements (PPAs) the entity executed for (1) similar resources, e.g., solar, solar with paired energy storage (hybrid or co-located), wind, and (2) similar contract types, e.g., resource adequacy capacity contract, RPS contracts for fully deliverable capacity, or Renewable Portfolio Standard contracts with energy-only capacity, (3) in the last five years. On or before January 1, 2026, given that some solicitations are currently in progress, each PA will update its Request for Offer solicitation materials to reflect the new cost containment cap which is the product of the CBVRP for each technology category multiplied by a 140 percent Multiplier. Before this date, PAs may choose to continue using the prior cost cap methodology.

- 3) Southern California Edison (SCE) and Pacific Gas and Electric Company (PG&E) shall independently survey their own procurement data to set the appropriate Confidential Benchmark Value Reference Price (CBVRP) and submit their CBVRP and associated workpapers to each IOU's existing Procurement Review Group (PRG) Independent Evaluator (IE) for a one-time initial review and assessment its reasonableness prior to the launch of future Disadvantaged Communities Green Tariff solicitations. SCE and PG&E shall each include the PRG IE's report on the conclusions of the reasonableness of their respective CBVRPs as an attachment to its future executed Tier 2 (DAC-GT) Power Purchase Agreement advice letters.
- 4) Immediately following the issuance of this Resolution, participating Disadvantaged Communities Green Tariff (DAC-GT) Community Choice Aggregator (CCA) Program Administrators (PAs) are authorized to contract with and recover costs for an independent third-party Independent Evaluator or Reviewing Representative to provide a one-time initial review and assessment of the reasonableness of their Confidential Benchmark Value Reference Price (CBVRP) and associated workpapers prior to the launch of future DAC-GT solicitations. DAC-GT CCA PAs shall independently survey their own procurement data to set the appropriate Confidential Benchmark Value Reference Price (CBVRP). Each DAC-GT CCA PA shall include the independent third party's report on the conclusions of the reasonableness of each participating CCA's respective CBVRP as an attachment to its future executed Tier 2 DAC-GT Power Purchase Agreement advice letters.
- 5) Participating Disadvantaged Communities Green Tariff (DAC-GT) Program Administrators (PAs) are authorized to propose and justify an adjustment to their cost containment cap Multiplier via a Tier 2 advice letter if and when zero conforming bids are received (1) at or below the cost containment cap and (2) otherwise meet all program requirements. The PA's proposed adjusted cost containment cap Multiplier must be substantiated by a PA's solicitation results and must not exceed 175% of the Confidential Benchmark Value Reference Price. In the PA's advice letter filing, subject to confidential protection of market sensitive data, the PA must summarize the results of their solicitation, including the number of bids received, the percentage of bids that exceeded the cost containment cap, and if the bids would have fulfilled program requirements. After approval of the PA's advice letter, the

PA may adjust the Multiplier for its cost containment cap for all future solicitations.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 24, 2025; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added  
upon adoption of the resolution

Dated July 24, 2025, at San Francisco, California (EDTU will fill-out the date and location)