

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

Order Instituting Rulemaking to  
Oversee the Resource Adequacy  
Program, Consider Program Reforms  
and Refinements, and Establish  
Forward Resource Adequacy  
Procurement Obligations.

FILED  
PUBLIC UTILITIES COMMISSION  
OCTOBER 9, 2025  
BELLFLOWER, CALIFORNIA  
RULEMAKING 25-10-003

**ORDER INSTITUTING RULEMAKING**

**Summary**

This rulemaking continues the California Public Utilities Commission’s oversight of the Resource Adequacy (RA) program, establishes forward RA procurement obligations applicable to load-serving entities beginning with the 2027 compliance year, and considers structural reforms to the program. This proceeding is the successor to Rulemaking 23-10-011, which addressed these topics over the past two years.

Comments on preliminary matters pertaining to the scope, schedule, and administration of the proceeding are due no later than 20 days after the issuance of this Order Instituting Rulemaking (OIR). Reply comments may be filed no later than 30 days after the issuance of this OIR.

**1. Background**

The California Public Utilities Commission (Commission) first undertook the Resource Adequacy (RA) program in Rulemaking (R.) 05-12-013 where we implemented “system” RA requirements for the 2006 compliance year and “local” RA procurement obligations for the 2007 compliance year. In that proceeding, we

recognized the near and intermediate term need for annual proceedings to approve local capacity requirements (LCR) and to consider modifications and improvements to the RA program:

While the nature of the future RA program and the associated procedural requirements cannot be fixed at this time, it is clear that there is an ongoing need for a procedural vehicle to address both modifications and improvements to the RA program as well as routine administrative (but not ministerial) matters that are not delegable to staff. Among other things, the Local RA program component requires annual approval of LCRs based on the [California Independent System Operator's (CAISO's)] LCR studies. For the near and intermediate term, we see a need for annual proceedings for these purposes.<sup>1</sup>

Subsequently, Decision (D.) 13-06-024 and D.14-06-050 adopted interim flexible capacity requirements (FCR) as an additional component of the RA requirements, which also require annual proceedings to approve the FCR for the coming compliance year.

Since that time, successive rulemakings have served as the procedural forums for adopting RA requirements and making necessary refinements to the RA program. These rulemakings include:

- R.11-10-023 as the forum for the 2013-2015 compliance years;
- R.14-10-010 as the forum for the 2016-2018 compliance years;
- R.17-09-020 as the forum for the 2019-2020 compliance years;
- R.19-11-009 as the forum for the 2021-2022 compliance years and local RA obligations for the 2021-2024 compliance years;
- R.21-10-002 as the forum for the 2023-2024 compliance years, local RA obligations for the 2023-2026 compliance

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<sup>1</sup> D.07-06-029 at 52.

years, and development of the 24-hour Slice-of-Day (SOD) framework;

- R.23-10-011 as the forum for the 2025-2026 compliance years, local RA obligations for the 2025-2028 compliance years, and implementation of the SOD program.

This rulemaking will address the 2027 and 2028 RA compliance years, local RA obligations for the 2027-2029 and 2028-2030 compliance years, and further refinements to the SOD program.

## **2. Preliminary Scoping Memo**

As required by Rule 7.1(d) of the Commission's Rules of Practice and Procedure (Rules), this OIR includes a preliminary Scoping Memo. In this preliminary Scoping Memo, we describe the issues to be considered in this proceeding. In response to this OIR, persons will have an opportunity to provide comments on the issues raised. After a prehearing conference (PHC), an Assigned Commissioner's Scoping Memo and Ruling will be issued laying out the issues and procedural process in greater detail.

In R.23-10-011, the Assigned Commissioner's Scoping Memo and Ruling established three tracks: one track to address system, flexible, and local capacity requirements and priority refinements to the RA program by June 2024; one track to address topics related to the central procurement entity framework and the revised loss of load expectation study and planning reserve margin; and one track to address system, flexible, and local capacity requirements by June 2025. For this proceeding, we anticipate needing two tracks to consider system, flexible, and local capacity requirements, as well as refinements and modifications to the RA program.

The preliminary scope of issues is as follows:

- 1. Adoption of Local Capacity Requirements.** Establish the LCR for respective load-serving entities (LSE) for the 2027-2029 and 2028-2030 compliance years. The starting point for this determination will be the CAISO's annual local capacity area technical study.

2. **Adoption of Flexible Capacity Requirements.** Establish the FCR for respective LSEs for the 2027 and 2028 RA compliance years. Similar to the LCR process, the starting point for this determination shall be the CAISO's annual flexible capacity needs assessment study.
3. **Loss of Load Expectation Study.** Consider modifications to the planning reserve margin for the 2028 and 2029 compliance years, including the results of Energy Division's annual Loss of Load Expectation (LOLE) study. In D.25-06-048, the Commission stated that: "Energy Division is expected to submit proposed Inputs and Assumptions for a new LOLE study in March 2026, and complete a new RA LOLE study for the 2028 RA year in July 2026."<sup>2</sup>
4. **Accreditation for Long-Duration Energy Storage.** Consider accreditation methodologies for long-duration energy storage (LDES). In D.25-06-048, the Commission authorized Energy Division to hold a workshop on LDES issues and outlined several issues to consider in future proposals.
5. **Unforced Capacity (UCAP).** In D.25-06-048, the Commission authorized Energy Division, in coordination with the CAISO, to further develop a final UCAP framework that addressed multiple issues. Energy Division was authorized to hold a workshop on its refined UCAP proposal.
6. **Accreditation for Solar and Wind Resources.** In D.24-12-003, the Commission authorized Energy Division to conduct an analysis comparing exceedance profiles for wind and solar resources against SERVIM weather profiles.<sup>3</sup> The Commission will consider Energy Division's analysis when completed.
7. **Transactability Issues within the SOD Framework.** In D.25-06-048, the Commission authorized Energy Division to conduct an evaluation after a full year of SOD implementation to assess the needs, benefits, and feasibility of an hourly load obligation trading mechanism. Energy Division was authorized to prepare a report on whether transactability

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<sup>2</sup> D.25-06-048 at 35.

<sup>3</sup> D.24-12-003 at 18.

issues exist by the 1<sup>st</sup> Quarter of 2026. The Commission will consider findings from Energy Division's evaluation.

8. **Residual Unit Commitment (RUC) for RA Resources.** In D.24-06-048, the Commission determined that there was insufficient record to consider Southern California Edison's proposal to remove the zero dollar bid requirement for RUC for the CAISO's Extended Day-Ahead Market.<sup>4</sup> The Commission deferred consideration of the zero dollar bid requirement for Reliability Capacity Up/Reliability Capacity Down products and Imbalance Reserve products to this rulemaking.
9. **Coordination with the Integrated Resource Planning (IRP) Proceeding.** Coordination with IRP planning, specifically on the development of the Reliable and Clean Power Procurement Program (RCPPP) and any RA program refinements that promote alignment across programs. In R.23-10-011, the Commission issued a ruling deferring consideration of this topic until after the RCPMP proposal was considered in the IRP proceeding. Once a decision is issued on the RCPMP proposal, the RA proceeding will coordinate with the IRP proceeding as necessary.
10. **Refinements to the Resource Adequacy Program.** As part of the ongoing implementation of the RA program, refinements to the RA program will be considered. To focus on the highest priority refinements, it is necessary to limit the number of refinements to be considered in this proceeding. In comments on this OIR, a party should identify no more than five (5) issues relating to refinements of the RA program that it believes should be addressed in this proceeding and list the issues in priority order. Based on comments and discussion at the PHC, the Scoping Memo will identify a limited number of issues to be addressed in this proceeding.

### 3. Initial Schedule

Since the local component of the RA program was first implemented, the Commission has determined that the annual compliance cycle should begin with

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<sup>4</sup> D.24-06-048 at 93.

issuance of a decision each June that establishes procurement obligations for the following calendar year. As a starting point, the schedule set forth below generally follows the previously used schedule.

Based on opening comments, reply comments, and discussion at the PHC, the Scoping Memo may add to or otherwise change the schedule. Accordingly, the preliminary schedule for the proceeding is as follows:

| <b>EVENT</b>                                | <b>DATE</b>                               |
|---------------------------------------------|-------------------------------------------|
| Comments on OIR filed                       | 20 days from the issuance of OIR          |
| Reply comments on OIR filed                 | 30 days from the issuance of OIR          |
| Prehearing Conference                       | November 17, 2025<br>10:00 a.m. via Webex |
| Scoping Memo issued                         | December 2025                             |
| Party proposals filed <sup>5</sup>          | January 23, 2025                          |
| Workshop(s) conducted by Energy Division    | Late January 2026                         |
| Comments on proposals filed                 | February 13, 2026                         |
| Reply comments filed                        | March 2, 2026                             |
| CAISO publishes draft LCR and FCR Report    | April 2026                                |
| Comments on draft LCR Report filed          | Late April/Early May                      |
| CAISO publishes final LCR and FCR Report    | May 2026                                  |
| Comments on final LCR and FCR Reports filed | Mid-May 2026                              |
| Proposed Decision                           | May 2026                                  |

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<sup>5</sup> Energy Division may also serve a proposal, either prior to or concurrently with parties.

| EVENT                     | DATE      |
|---------------------------|-----------|
| Final Commission Decision | June 2026 |

\*Dates for those components of the LCR and FCR studies and review process that are administered by the CAISO will be determined by the CAISO in consultation with Energy Division.

The PHC will be held remotely on November 17, 2025, at 10:00 a.m. via Webex. A PHC will be held for the purposes of (1) taking appearances, (2) discussing schedule and process, and (3) informing the Scoping Memo.

This is a preliminary schedule and is subject to change. The assigned Commissioner and the assigned Administrative Law Judge (ALJ) have the authority to make any and all necessary changes to the schedule during the course of the proceeding to promote the efficient and fair resolution of the rulemaking. We authorize the assigned Commissioner and/or ALJ to organize issues within the proceeding, including creating additional tracks for organization. Because this proceeding is intended to address procurement for 2027 and 2028 (as well as local capacity procurement for 2027-2029 and 2028-2030), we anticipate this proceeding will be resolved within 24 months from the issuance of this OIR.

There will likely be multiple workshops in this proceeding. Notice of such workshops or webinars will be noticed to the service list of this proceeding and posted on the Commission's Daily Calendar to inform the public that a decisionmaker or an advisor may be present at those meetings or workshops. Parties should check the Daily Calendar regularly for such notices.

#### **4. Comments on Preliminary Determinations and Scoping Memo**

This OIR serves as a solicitation for parties to comment on the preliminary determinations and Scoping Memo identified in this order. Parties should focus comments on the preliminary Scoping Memo and schedule, and any objections to

the preliminary determinations.<sup>6</sup> Parties should identify and prioritize no more than five (5) issues relating to refinements of RA program elements that they believe should be addressed in this proceeding. The Commission will utilize parties' comments and a PHC as a basis to identify areas that need clarification, and may consider the addition of specific issues or questions related to the scope of this proceeding.

Comments are due to be filed and served no later than 20 days after the issuance of this OIR. Reply comments may be filed and served not later than 30 days after the issuance of this OIR. Comments are limited to no more than 25 pages per party, with replies limited to 15 pages per party.

**5. Category of Proceeding; *Ex Parte* Communications; Need for Hearing**

The Commission's Rules of Practice and Procedure require that an OIR preliminarily determine the category of the proceeding and the need for hearing.<sup>7</sup> The category of the proceeding is preliminarily determined to be ratesetting, similar to its predecessor R.23-10-011. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Rule 8.3(c) until and unless the assigned Commissioner's Scoping Memo changes the category of the proceeding.<sup>8</sup>

In the previous RA proceedings, R.11-10-023, R.14-10-010, R.17-09-020, R.19-11-009, R.21-10-002, and R.23-10-011, issues were addressed through a combination of formal comments and workshops, without evidentiary hearings. We anticipate that issues in this proceeding may be resolved without evidentiary hearings but it is possible that hearings may be needed for some of the issues in this proceeding. We preliminarily determine that evidentiary hearings are not

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<sup>6</sup> See Rule 6.2.

<sup>7</sup> See Rule 7.1(a).

<sup>8</sup> See Rule 7.3, Rule 8.3, and Rule 8.5.

necessary. The assigned Commissioner will determine the need for hearing in the Scoping Memo.

## **6. Respondents**

All Commission-jurisdictional LSEs are bound by the rules of the Resource Adequacy program and will be served a copy of this Rulemaking. The three investor-owned utilities are named as Respondents: Pacific Gas & Electronic Company, Southern California Edison Company, and San Diego Gas & Electric Company.

All Respondents must, and any interested parties or other LSEs may, comment on the preliminary Scoping Memo consistent with the schedule established in this OIR. LSEs and interested persons that are not made Respondents are encouraged to become parties and participate in this proceeding.

## **7. Service of Order Instituting Rulemaking**

This OIR shall be served on the Official Service List for the previous proceeding, R.23-10-011, and on all Respondents. Respondents are parties to this proceeding and will be immediately placed on the Official Service List. Service of the OIR does not confer party status or place a person who has received such service on the Official Service List for this proceeding, other than Respondents. Addition to the Official Service List is governed by Rule 1.9(f) of the Commission's Rules of Practice and Procedure.

Any person will be added to the "Information Only" category of the Official Service List upon request, for electronic service of all documents in the proceeding, and should do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding.<sup>9</sup> The request must be sent to the Process Office by email ([process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov)) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco,

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<sup>9</sup> See Rule 1.9(f).

California 94102). Please include the Docket Number of this rulemaking in the request.

Persons who file responsive comments become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the “Parties” category of the Official Service List upon such filing. In order to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the “Information Only” category as described above; they will be removed from that category upon obtaining party status.

#### **8. Filing and Service of Comments and Other Documents**

Article 1 of the Rules governs the filing and service of comments and other documents in this proceeding. (See particularly Rules 1.5 through 1.10 and 1.13.) If you have questions about the Commission’s filing and service procedures, contact the Docket Office ([Docket Office@cpuc.ca.gov](mailto:DocketOffice@cpuc.ca.gov)) or check the Practitioner’s Page on our website at <https://www.cpus.ca.gov>.

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10(d) requires that “the serving person must provide a paper copy of all documents served by e-mail service to the assigned Administrative Law Judge (or if not yet assigned, to the Chief Administrative Law Judge), unless the Administrative Law Judge orders otherwise.” In this proceeding, parties are excused from serving the ALJ with hardcopy (paper copy) of the electronic filed or served documents.

While serving documents on Commissioners or their personal advisers, whether or not they are on the official service list, parties must only provide

electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisers unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

## **9. Intervenor Compensation**

Intervenor Compensation is permitted in this proceeding. Pursuant to Section 1804(a)(1), a party that intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days after the prehearing conference. Parties new to participating in Commission proceedings may contact the Commission’s Public Advisor for more information.

## **10. Public Advisor**

Any person or entity interested in participating in this rulemaking who is unfamiliar with the Commission’s procedures should contact the Commission’s Public Advisor in San Francisco at (415) 703-2074 or 1-(866) 849-8390 or email [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov). The TTY number is 1-(866) 836-7825.

**IT IS ORDERED** that:

1. In accordance with Rule 6.1 of the Commission’s Rules of Practice and Procedure (Rules), the Commission institutes this rulemaking to continue its efforts to ensure the availability of reliable and cost-effective electricity supply in California through implementation and administration of its Resource Adequacy (RA) program. As indicated in Rule 6.1, this proceeding may result in the adoption, repeal, or amendment of rules, regulations, and guidelines that constitute the RA program, and may modify prior Commission decisions pertaining to the RA program that were adopted by rulemaking.

2. The preliminary scope of issues is as set forth in Section 2.

3. The three investor-owned utilities (Pacific Gas & Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company) shall be Respondents to this proceeding.

4. The Executive Director shall cause this Order Instituting Rulemaking to be served on the service list for Rulemaking 23-10-011, the Respondents, and Commission-jurisdictional load-serving entities.

5. Comments on the preliminary determinations of category, need for hearing, scope of issues and schedule must be filed and served as stated in Section 4 of this Order Instituting Rulemaking.

6. A prehearing conference will be held remotely via Webex on November 17, 2025.

7. The category of this rulemaking is preliminarily determined to be ratesetting and the rulemaking is subject to the *ex parte* communication rules stated in Article 8 of the Commission's Rules of Practice and Procedure.

8. Evidentiary hearings are preliminarily determined to be not needed.

9. The assigned Commissioner or Administrative Law Judge may make any revisions to the scheduling and filing determinations as necessary to facilitate the efficient management of the proceeding.

10. Parties are excused from Rule 1.10(d) of the California Public Utilities Commission's Rules of Practice and Procedure requirement regarding service of paper copies upon the assigned Administrative Law Judge and shall avoid serving any paper copy of documents electronically filed or electronically served.

This order is effective today.

Dated October 9, 2025, at Bellflower, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners