PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 23841

ENERGY DIVISION **RESOLUTION E-5414**

December 4,2025

R E S O L U T I O N

Resolution E-5414. Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric implement scenario planning in the distribution planning process.

PROPOSED OUTCOME:

- Approves, with modification, the jointly filed proposals of Pacific Gas and Electric, Southern California Edison, and San Diego Gas & Electric concerning the establishment and use of scenario planning in the distribution planning process pursuant to ordering paragraph (OP) 8 of Decision 24-10-030 filed in the joint Advice Letter (AL) SCE AL 5566-E, SDG&E AL 4675-E, and PG&E AL 7631- E.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution. The implementation of this Resolution may impact costs in the future.

By Advice Letter 4675-E, Filed on June 30, 2025.

SUMMARY

This Resolution adopts, with modifications, the proposals of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), together referred to as the "joint utilities," to establish a scenario planning framework in the distribution planning process. Advice Letter 4675-E contains separate proposals from each of the joint utilities on the scenario planning framework pursuant to D.24-10-030, the contents and definition of each scenario, and how each scenario will be used in the annual process. This resolution addresses each proposal separately while directing a common approach for all three IOUs starting with the 2025-2026 Distribution Planning and Execution Process (DPEP) cycle.

This Resolution is separate from, yet closely linked to, Resolution E-5413 to establish and use a pending loads framework to inform grid upgrades in the distribution planning process. This Resolution is based on the conclusions, definitions, and outcomes of the Pending Loads Resolution.

This Resolution adopts a uniform scenario planning framework that allows for individual differences in the details of implementation for each IOU's initial implementation of scenario planning. The adopted scenario planning framework creates a structured process to intake more information into the Distribution Planning and Execution Process (DPEP), allows the IOUs to begin implementing scenario planning and learning from this initial implementation, and aims to allow the resulting investment plan to meet near-term customer needs and long-term load growth. The scenario planning framework adopted in this Resolution consists of three scenarios: Low, Base, and High, based on a range of factors including the categories of pending loads included, the use of pending loads, and changes in assumptions.

The scenarios to be used in the scenario planning framework will be proposed by the utilities through the existing DPEP annual IEPR scenario approval process, which includes opportunity for stakeholder comment and concludes with Energy Division approval. The utilities will report the

outcome of each scenario's grid needs assessment and the single set of planned investments in the Grid Needs Assessment (GNA) and Distribution Upgrade Project Report (DUPR). The details of the decision logic will be reported in the DUPR as well. While this Resolution adopts a framework for the initial implementation of scenario planning in the 2025-2026 DPEP cycle, the Commission may revisit and modify this framework and the adopted scenarios.

BACKGROUND

This Resolution disposes of Advice Letter 4675-E as ordered by Decision (D).24-10-030, issued on 10/23/2024. The Decision directed the joint utilities to implement the use of scenario planning in the DPEP beginning with the 2025-2026 DPEP cycle. Citing the preceding staff proposal for the High DER Proceeding, issued 4/5/2024, the Decision explained that "the use of forecast scenarios will provide a better picture of the

likelihood that forecast grid needs will occur, especially for later forecast years ."[1] The staff proposal stated that the goal of scenario planning is to increase the confidence of mid- to long-term planning to enable proactive investments to meet the needs of growing electric demand.[2] The Decision asserted that a scenario planning framework should consider the grid needs identified from the output of multiple scenarios in order to create a single investment plan.

To further develop the details of the scenario planning framework, the Decision required a utility-facilitated public workshop to discuss scenario planning in the DPEP. The workshop was required to cover several technical issues, including (1) the number of scenarios utilities should annually run in their DPEP and the purpose of these scenarios; (2) whether scenarios could or should be combined; (3) the selection process for scenarios and selection flexibility for utilities; (4) the appropriate forecast elements to be included in the scenarios; (5) coordination of scenario planning with pending loads in the current DPEP cycle and in future cycles; (6) coordination of scenario planning with the Transportation Electrification rulemaking; (7) development of a single investment plan based on multiple scenario outcomes; (8) utilities' flexibility and process to identify incremental grid investments to the Base Scenario and the identification of predefined load metrics to trigger

incremental load investments; (9) guardrails needed for use of scenarios in the development of a single investment plan;
(10) a future process, if necessary, to modify the scenario planning framework; and (11)
how cost considerations should be factored into the scenario planning process. This workshop was held in a hybrid format, both online and in-person in San Francisco, on April 22, 2025, from 9:00 AM to 3:30 PM.

The Decision directed the joint utilities to submit a Tier 3 Advice Letter that summarizes the workshop, identifies the outcomes of the workshop, proposes a framework for implementation of scenario-based planning, and identifies the steps to be taken to facilitate the transition to using scenarios and a timeline for using them in the 2025-2026 DPP cycle.

On June 30, 2025, SDG&E submitted a joint Advice Letter SDG&E AL 4675-E et al. that proposes the implementation and use of a scenario-based planning framework in the distribution planning process. PG&E, SDG&E, and SCE each proposed its own scenario planning framework in Attachments A, B, and C respectively. This resolution will evaluate each utility proposal independently within the context of the proposals of each

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1 0.24-10-030 page 56

2 Staff Proposal to Improve the Distribution Planning and Execution Process page 69

other utility and makes determinations on a common framework that applies to all three IOUs starting in the 2025-2026 planning cycle.

PG&E's proposal included:

- Description of, and the purpose of scenario planning to analyze multiple forecasts, identify capacity deficiencies for each scenario and report them in the annual GNA, and develop a single, actionable investment plan informed by the multiple scenarios.
- List of the forecast elements of each scenario, including a Low, Base, and High forecast, and how the outcomes of each scenario inform a single investment plan; specifically, that the low scenario informs prioritization and the high scenario informs the size and timing of projects in the investment plan.
- Selection process for scenarios and the method to make changes to the framework in the future through a Tier 2 Advice Letter.
- How PG&E will report the outcomes of scenario planning in the annual GNA and DUPR filings.
- How scenario planning is coordinated with pending loads; how scenario planning is coordinated with the Transportation Electrification rulemaking, R.23-12-008.
- Explanation that PG&E does not plan to adopt a process to identify incremental investments based on load metrics.
- Description of the guardrails provided by the DPP and pending loads.
- How the proposal considers costs.
- Steps to implement scenario planning in the 2025-2026 DPP cycle.

SDG&E's proposal included:

- Reference to the scenario planning workshop presentation that describes the three proposed scenarios, including the Base Scenario, Scenario 1 which acts as a High Scenario, and Scenario 2 which acts as a Low Scenario.
- Purpose of scenario planning to enhance grid readiness to meet the electrification needs of communities while protecting against the possibility of under-utilized infrastructure additions.
- How Scenarios 1 and 2 will serve to augment the results of the Base Scenario.

- Plan to transition using these scenarios, including the caveat that SDG&E determined that there is not an appropriate source for Scenario 2 and will therefore not be included in the 2025-2026 cycle.

SCE's proposal included:

- Explanation of why scenario planning is needed because the status quo is no longer sufficient.
- Purpose of scenario planning to evaluate outcomes, mitigate potential affordability impacts, and ensure grid readiness while optimizing proactive grid upgrades.
- Proposal to use a Low, Base, and High Scenario to enable proactive planning and timely energization, including the inputs to each scenario.
- How the outcomes of each scenario will inform a single investment plan, including an example of a possible detailed decision logic that informs what investment decisions should be made based on the outcomes of multiple scenarios.
- Explanation that the High Scenario will be used to confirm or alter project scopes and timelines, and that the Low Scenario will be used to inform project prioritization.
- Description of how this will help SCE plan proactively and reduce grid upgrade lead times.

NOTICE

Notice of AL 4675-E et al. was made by publication in the Commission's Daily Calendar. San Diego Gas and Electric states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

The utilities' Scenario Planning ALs (SDG&E AL 4675-E, SCE AL 5566-E, PG&E AL 7631-E) were protested. SDG&E AL 4675-E was timely protested, following an extension of the protest period to July 22, 2025, on July 22, 2025, by CALSTART, Cal Advocates, CalCCA, and EDF/NRDC. SCE AL 5566-E was timely protested on July

22, 2025, by Cal Advocates, CalCCA, and EDF/NRDC. SCE AL 5566-E was timely responded to on July 22, 2025, by CALSTART. PG&E AL 7631-E was timely protested on July 22, 2025, by CALSTART, Cal Advocates, CalCCA, and EDF/NRDC.

SDG&E, on behalf of SCE, SDG&E, and PG&E, jointly filed reply comments to all protests on July 29, 2025

The following provides a summary of the major issues raised in the protests and the reply to each.

Scenario Planning Framework Design and Balance

Framework Uniformity Across IOUs

Cal Advocates argues that Ordering Paragraph 8 of Decision 24-10-030 contemplates a single, uniform scenario planning framework for all utilities. Cal Advocates asserts that the D.24-10-030 reference to "framework" is singular, indicating an intent for one framework. Furthermore, Cal Advocates argues that the IEPR process applies the same methodology for scenario development to each IOU, and the Commission's review and authorization of scenario planning should follow this approach. It argues that the adoption of utility-specific scenario planning frameworks would make scenario planning unwieldy and complicated to implement and oversee. EDF/NRDC argue that PG&E should adopt SCE's decision tree approach for proactive identification of hot spots and early-stage land and equipment procurement.

PG&E Response: In response to EDF/NRDC's argument, PG&E states that there are fundamental differences between PG&E and SCE's systems that make the proactive decision tree approach appropriate for SCE, namely SCE's need to plan for the sub transmission system. PG&E contends that its proposed framework is appropriate for the type of long lead-time investments it needs to make on PG&E's distribution system.

Adequacy of Base Scenario and Pending Loads Criteria

CALSTART and EDF/NRDC protest that PG&E's Base Scenario is too narrow, as it includes only Category A and B pending loads that have minimum criteria too stringent to sufficiently forecast customer projects.[3] Both parties protest that because PG&E relies on the Base Scenario and only makes adjustments with the High and Low Scenario, the pending load Category A and B minimum requirement issues are carried through scenario planning into the investment plan.

PG&E Reply: PG&E agrees with these protests and calls attention to the changes it proposed to its pending loads minimum criteria in the Joint IOU Reply to party protests of the Joint IOU Pending Load Advice Letter. These changes were adopted in the Pending Loads Resolution. For the exact language refer to the Pending Loads

[3] To see description of the pending load categories and minimum criteria proposed by the IOUs, see pending load advice letters SCE AL 5567-E, SDG&E AL 4647-E, PG&E AL 7630-E and resolution E-5413.

Resolution which modified the minimum criteria for Category A and B pending loads, [specifically identifying progress related to the required design, permitting, and funding source identification] allowing the categories to encompass more projects so PG&E can adequately prepare for them. PG&E argues that by addressing the concerns raised about the pending loads, PG&E can better leverage its Scenario Planning Framework for proactive planning and to reduce energization delays.

High Scenario and Balance

Cal Advocates argues that PG&E's and SCE's proposed frameworks focus primarily on a single High Scenario that includes lower-confidence loads. By doing this, it argues, the IOUs risk skewing the distribution plans toward higher-cost infrastructure and could increase the risk of overbuilding. Cal Advocates asserts that scenarios should balance futures where load growth is increasing against futures where policies and technologies mitigate load growth. Cal Advocates contends that, of all the aggressive proposals, PG&E incorporates a broader range of outcomes than the other IOUs and would not drive new planned investments with the High Scenario and is therefore the most balanced approach. Cal Advocates also argues that SDG&E's proposed framework is not tied to pending loads but takes a similarly narrow approach where both of SDG&E's proposed alternatives to the Base Scenario would effectively consider higher load growth futures.

In contrast, CALSTART supports SCE's inclusion of a High Scenario that incorporates Category C pending loads because it argues that scenario planning is an information diagnostic, not an investment prescription. CALSTART points to SCE's guardrails and transparency as mitigations against the risk of overbuilding. CALSTART instead protests PG&E and SDG&E for their failure to use a true High Scenario for planning investments that exceed the IEPR forecast because it precludes the High Scenario from driving incremental upgrades beyond the base case, thus losing "dig-once" cost efficiencies.

PG&E Reply: In response to Cal Advocates, PG&E argues its scenario planning framework includes a Low, Mid, and High Scenario where each scenario is used for a different purpose and does not mean that it is biased towards any one scenario. PG&E asserts it is appropriate to use the low growth load scenario for prioritization, and the high growth scenario to consider sizing of investments. PG&E also argues that its proposed framework enables the evaluation of a variety of possible futures and can be adapted to consider enhanced load management once that methodology is developed and ready for implementation.

SCE Reply: In response to Cal Advocates, SCE asserts that the concern over bias towards growth is misplaced. SCE believes the value of scenario planning is to identify the scope of grid buildout necessary to meet different levels of load growth and appropriately balance how long customers and communities must wait for the utilities to meet their electricity demands with how long new facilities are deployed prior to serving load. SCE contends that the proposed framework is intended to meet the needs of the new load growth paradigm that calls for proactive grid buildout. Further, SCE disagrees that a scenario planning approach should be balanced because giving the Low Scenario equal weight in scenario planning would artificially skew investment decisions toward minimal infrastructure.

SDG&E Reply: SDG&E maintains that its Scenario 1 thermal stress test implicitly uses the Base Scenario to identify areas of the grid where further assessments may be needed to ensure the grid is ready for high electrification, and that its Scenario 2 will employ specific IEPR component scenarios. SDG&E asserts these alternatives sufficiently capture high-growth uncertainty and will inform timing or augmentation of Base Scenario.

Additional Scenarios

CalCCA urges the Commission to require IOUs to develop a standalone demand flexibility scenario in the 2026-2027 Distribution Planning Process (DPP)

cycle. CalCCA argues that demand-side management and DER integration are critical tools to mitigate future grid upgrades and that IOUs' vague commitments to incorporate flexibility "once methodologies mature" leave ratepayers exposed to unnecessary capital
spend. Therefore, it argues, a dedicated scenario will quantify the potential deferral value of load-shifting strategies and better inform least-regrets investments. CALCCA claims that rather than viewing demand flexibility as a potential mitigation option, SDG&E's scenario planning proposal treats demand flexibility as a risk to be avoided. EDF/NRDC similarly argue that PG&E's proposal does not do enough to consider how varying load management and flexibility assumptions would impact grid investment needs and urge PG&E to incorporate varying levels of load flexibility in each of its scenarios. EDF/NRDC further advocate for PG&E and SCE to adopt a policy compliance scenario that tests grid readiness against AB 2700 requirements, CARB regulations, and local air district plans to ensure capital plans support climate goals. EDF/NRDC additionally advocate for a "High-Energization, High-Load Flexibility" scenario that would allow a utility to isolate system impacts stemming from high load factors and prepare accordingly. Cal Advocates also advocated a broader range of considerations in scenario planning beyond the use of different pending load categories.

Joint IOU Response: The IOUs jointly disagree with CalCCA's proposed requirement to develop a demand flexibility scenario in the 2026-2027 DPP cycle. The IOUs jointly argue that the Decision specifically scoped the final Electrification Impact Study Part 2 study to include a proposal and timeline for how load flexibility assessments will be integrated into the DPEP, and it is therefore inappropriate to make that determination through this process.

PG&E Response: PG&E disagrees with adding a policy compliance scenario. PG&E contends the purpose of the scenario planning framework is to inform and improve PG&E's DPEP, not to inform policy or demonstrate policy compliance. Further, PG&E's scenario planning framework is largely defined in

relation to the IEPR, and whether the IEPR is consistent and/or compliant with state policy is outside the scope of the scenario planning framework. In response to arguments that PG&E should increase load flexibility consideration, PG&E initially proposed a framework that included the same amount of load flexibility in its Base and High Scenarios. In reply comments PG&E recommends changing its proposed framework to clarify that the amount of load flexibility in the High Scenario be consistent with the high levels of electrification.

According to PG&E, to the extent the high electrification forecasted in the High Scenario is consistent with higher levels of load flexibility (e.g., higher levels of vehicle-grid integration), then the High Scenario may have higher levels of load flexibility than the mid-scenario.

SCE Response: In response to EDF/NRDC's High-Energization, High-Load Flexibility scenario suggestion, SCE believes that using SCE's three proposed scenarios is a reasonable initial implementation to scenario planning. SCE states that locationally targeted deployment of demand flexibility is still maturing, and SCE includes demand flexibility assumptions in its load forecasts and anticipates integrating demand flexibility as mitigation strategies while methodologies evolve. While SCE plans to expand scenario planning in the future, SCE's current planning process does not have the bandwidth to model more than three scenarios.

SDG&E Response: In response to CalCCA, SDG&E argues that its scenario planning proposal is substantively tied to the CEC's IEPR which accounts for load flexibility from time-of-use, customer battery storage, critical peak pricing, and Emergency Load Reduction Programs. SDG&E anticipates that the CEC's demand flex tool will allow SDG&E to reflect the forecast impacts of demand flexibility from residential and commercial buildings, EVs, behind-the-meter storage, and smart appliances and DERs in its DPEP when adopted into scenario planning.

IEPR Alignment

Cal Advocates argue that the Commission should require the Joint IOUs to base their scenario planning on CEC or Energy Division scenarios, contending that IEPR scenarios represent a broader range of scenarios than those proposed in the AL. Cal Advocates recommends the Joint IOUs to: (1) Either formally request Commission approval of the CEC scenarios the Joint IOUs chose for scenario planning, or use specific scenarios directed by the Commission or Energy Division; (2) Present their proposed scenarios at the annual Distribution Forecast Working Group (DFWG) to enable feedback via informal DFWG comments; and (3) Report in their annual Grid Needs Assessments or Distribution Upgrade Project Reports how the selected scenarios informed the Joint IOUs' respective distribution plans.

SCE Response: SCE disagrees with Cal Advocates and argues that the IEPR does not have sufficiently different scenario options to allow meaningful scenario planning results. In response to Cal Advocates proposal for Energy Division directed scenarios, SCE states it would support this if accompanied by appropriate safeguards for utility performance, especially a level of certainty on cost recovery and either options for deviation where necessary or allowances for non-attainment of energization timeline goals.

Data Reporting

CalCCA argues that adequate guardrails must be implemented to protect against overinvestment if the IOUs' forecasts are incorrect or the load fails to materialize and the IOUs must be held accountable for investment decisions based on more speculative long-term load growth estimates. CalCCA recommends the Commission require the IOUs to track and report on any longer-term, least-regrets investments to ensure the IOUs make prudent grid investments and minimize overinvestment risks.

SCE Response: SCE identifies the Decision's Project Execution tracking work

directed by Ordering Paragraph 26 as the correct venue for this data reporting. Further, SCE argues that there will always be differences between estimates and actuals, but that the probability of no load materializing is low. Even if this did happen, the grid would still benefit through increased operational flexibility.

PG&E Response: PG&E argues that it already files annual reports on its investments, and the High DER and DRP Proceedings have developed significant reporting requirements informed by stakeholder comments over the last 5+ years. Therefore, the Commission should not adopt CalCCA's request.

Community Choice Aggregators Data Availability

CalCCA argues that the Commission should require the IOUs to include community choice aggregators (CCA) in their data reporting proposals for large loads. CalCCA states that as the default generation service provider for customers within their service areas, CCAs are entitled to customer information pursuant to statute and rules established by the Commission, and CCAs must have information on large pending loads to plan to serve those loads. Therefore, CCAs should have access to all customer- and project-specific data, including the customer name, project location, forecasted in- service date, expected capacity, load type, pending load category, and information source.

Joint IOU Response: The IOUs jointly argue that CCAs' rights to utility data, and the processes by which CCAs can obtain this data, have been addressed and settled in other proceedings. Therefore, the High DER proceeding is not the appropriate forum in which to reopen settled data access issues.

Process to Modify Scenario Planning

Scenario Planning Reform Process

CalCCA argues that the IOUs should not be allowed to bypass regulatory approval for modifying its scenario planning framework and for identifying planned investments incremental to the Base Scenario. CalCCA argues against PG&E's assertions that the Energy Division approval, rather than Commission

approval, would suffice to identify the process by which it could use scenario planning to identify investments incremental to those identified in the Base Scenario. CalCCA contends that scenario planning has never been tested previously, necessitating firm guardrails to protect ratepayers from bearing the costs of unused or underutilized grid investments. CalCCA recommends the establishment of a process for regulatory approval for changes to the proposed scenario planning framework.

Joint IOU Response: The IOUs jointly argue that requiring a Tier 3 filing for every minor adjustment, regardless of scope, would introduce unnecessary procedural burdens and delay the ability to incorporate new data sources or respond to emerging electrification trends. The Joint IOUs support transparency, and propose, to allay these parties' concerns, to submit a Tier 1 advice letter for any future framework changes.
This approach preserves regulatory oversight while maintaining the flexibility needed to adapt to a rapidly changing grid environment and evolving DER landscape.

SDG&E Response: The IOUs propose to present both the Base Scenario and the non- Base Scenarios in the existing DFWG process. Additionally, the Joint IOUs Advice Letter specifically described a future process for modifying the scenario planning framework: In future DPP cycles, the IOUs propose that the CPUC Energy Division approve IOU use of these non-Base Scenarios through the existing letter request process. Such modifications could include changes in the number of scenarios that would be evaluated, changes in the thresholds used to trigger additional assessments, or broader changes in how the utility conducts scenario planning and identifies planned upstream distribution capacity upgrades.

DISCUSSION

The Commission has reviewed the Advice Letter, the protests, and the replies, and makes the following modifications to the utility proposals. The discussion

section begins with an overview section and then follows the same order as the protests section.

The Purpose of Scenario Planning

Each IOU included the reasoning and purpose behind scenario planning. PG&E states that the purpose of scenario planning is to analyze multiple forecasts, identify capacity deficiencies for each scenario and report them in the annual GNA, and develop a single, actionable investment plan informed by the multiple scenarios. SDG&E states that the purpose of scenario planning is to enhance grid readiness to meet the electrification needs of communities while protecting against the possibility of under-utilized infrastructure additions. SCE states that the purpose of scenario planning is to evaluate outcomes, mitigate potential affordability impacts, and ensure grid readiness while optimizing proactive grid upgrades.

Overview

The Commission has considered the proposals and protests of all parties and has found the following scenario planning framework described below to best utilize scenarios in a manner that balances proactive planning with risk mitigation for the initial implementation of scenario planning. First, we affirm the high-level purpose and goals of scenario planning is to:

- Provide a better picture of the likelihood that forecasted grid needs will occur, especially for later forecast years.[4]
- Analyze multiple forecasts and identify distribution grid deficiencies for each potential future based on a range of inputs and assumptions.

[4] 0.24-10-030 page 56

- Prepare the distribution grid for load growth through an investment plan that meets near term and long-term needs and includes least regrets proactive investments.

In this adopted framework, we direct PG&E, SDG&E, and SCE to implement a scenario planning framework based on the frameworks of PG&E and SCE, and the decision logic of SCE to create a single investment plan. The scenario planning framework uses the structure proposed by PG&E and SCE to use different categories of pending loads to inform the different scenarios, but modifies which categories are used in which scenarios, and how they are incorporated (i.e., allowed to exceed the IEPR).

The adopted scenario planning framework will require each IOU to conduct three scenarios in the distribution planning process: a Low, Base, and High Scenario. These scenarios will be based on the same proposed IEPR scenario that each IOU selects and the same set of pending loads (as defined below). Each scenario will produce a set of grid needs that will be reported in the Grid Needs Assessment and will inform the single investment plan using the decision logic. Each utility shall develop its own detailed decision logic to provide an analytic framework inform how the different permutations of planned investment outcomes of each scenario's grid needs assessment will result in a single, justifiable investment plan informed by the scenarios. The reporting of the grid needs of all scenarios coupled with the decision logic will provide a method to justify the projects in the investment plan. In the DUPR, each utility shall make clear what planned investments are driven by the High Scenario, and for these projects report the difference between the base and the high project sizes and include the decision logic rationale for justification.

Table 1: Scenario Planning Framework to Be Implemented by PG&E, SCE, and SDG&E

Pending Load Category	Description	Low Scenario	Base Scenario	High Scenario
A	High Confidence, Customer Based Projects	Included Can Exceed IEPR	Included Can Exceed IEPR	Included Can Exceed IEPR
Bl	Medium Confidence, Customer Based Projects	Excluded	Included Can Exceed IEPR	Included Can Exceed IEPR
B2	Bottom-Up Study	Excluded	Included Capped at IEPR except for hot spots	Included Can Exceed IEPR
C	Low Confidence, Customer Based Projects and Studies	Excluded	Included Capped at IEPR always	Included Capped at IEPR except for hot spots

Table 1 shows how each category of pending loads is, or is not, incorporated into each scenario in the scenario planning framework. In the Low Scenario, only Category A, the highest confidence pending loads, are used. This is because the Low Scenario serves to ensure the investment plan will meet the needs of near-term load growth. In the Base Scenario all pending load categories are used but treated differently. Category A and Bl are customer-based loads and will be able to exceed the IEPR if necessary to ensure they are accounted for in the Base scenario. Category B2 pending loads will be used and may only exceed the IEPR in hot spots as defined in the pending load resolution. Category C pending loads will always be capped at the IEPR annual load growth amount. This is because the Base Scenario serves as the most likely future and is the basis of the investment plan. In the High Scenario all pending loads are used and the difference is that all Category B2 pending loads may exceed the IEPR and Category C pending loads can exceed the IEPR in hot spots. This is because the

high scenario is intended to identify additional grid needs from increased load growth that may be needed and can be proactively prepared for.

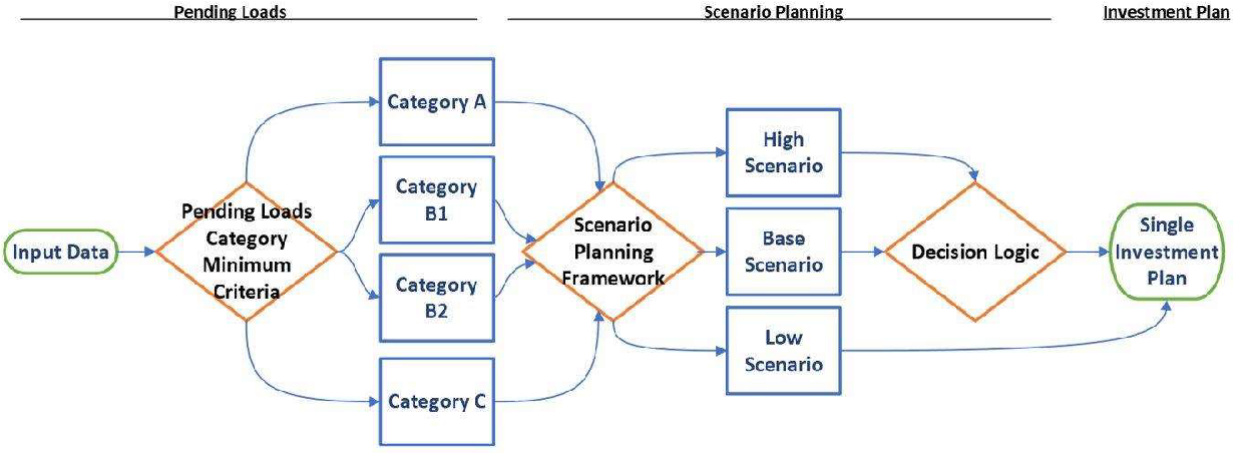
Table 2 shows a consolidated version of the example decision logic proposed by SCE. In this table each example includes what the outcomes of the Base Scenario and the High Scenario are. Based on those two outcomes, a solution is determined. The solution can be as simple as "reassess next cycle" or can provide a set of options that choose a solution based on their criteria. This decision logic serves as an algorithmic flow chart that determines what should be included in the single investment plan based on the outcomes of the Base and High Scenarios and the characteristics of those outcomes. The table also includes the impact of the outcome for distribution planning, explaining if the solution is status quo or how proactive investment can accelerate future work.

Table 2: Example Detailed Decision Logic

Ex.	Base Scenario Solution and High Scenario Solution	Solution for Single Invesbnent Plan	Outcome for distribution planning
1	ase: No grid need High: Sub-circuit solution	eassess next planning cycle	• Status quo
2	Base: No grid need High: New circuit or more	Potentially plan partial construction •If grid need is within year 1-5, plan to uild out to first switch • If grid need is within years 6-10, reassess next planning cycle	• Reduces lead time of future new circuit(s) by ~1-2 years • Built assets could be repurposed for other load growth-driven needs and increased operational flexibility if original needs do not materialize

3	Base: New Circuit(s) High: Base+ additional New Circuit(s)	Plan to build new circuit(s) to address Base need plus additional construction: • If location of the High Scenario's load growth is known, plan new circuit mainline toward load • Otherwise plan out to first switch	• Reduces lead time of future new circuit(s) by ~1-2 years • Built assets could be repurposed for other load growth-driven needs and increased operational flexibility if original needs do not materialize
4	ase: New Circuit(s) High: Base+ additional New Circuit(s) + Substation Capacity pgrade	Solution for circuits above, plus otential substation work: • If substation utilization is approximately 60-90%, design and rocure equipment for substation capacity upgrade • If substation utilization is more than 90%, plan to build substation capacity pgrade	• Substation capacity upgrade lead time ~4 years • Design and procurement reduce lead time of substation capacity upgrade by ~1 year • Built assets could be repurposed for other load growth-driven needs and increased operational flexibility if original needs do not materialize
5	Base: New Circuit(s) High: Base+ additional New Circuit(s) + Substation Capacity Upgrade + New Substation	Circuit and substation solution above, plus potential land development • Identify potential locations for new substation • If land highly constrained, may consider planning to acquire land	• Advanced planning for land procurement

Figure 1: Pending Loads and Scenario Planning Flow Chart



Scenario Planning Framework Design and Balance

Framework Uniformity Across IOUs

The Commission disagrees with Cal Advocates' protest and finds that Decision (D.)24- 10-030 does not explicitly require the IOUs to submit a single unified framework proposal. The Commission also acknowledges the utility argument that different service territories, processes, and technical capabilities of each utility create a significant challenge to implement an entirely unified framework. However, the Commission agrees with Cal Advocates that some standardization is needed for consistency across distribution planning. Therefore, the Commission takes steps in this resolution to align on a unified scenario planning framework that allows for individual differences in the detailed implementation, as described in subsequent sections.

We agree with EDF/NRDC's argument that PG&E should adopt SCE's decision logic framework while recognizing that SCE's decision logic is suited to its unique grid characteristics and PG&E and SDG&E will need to develop their own decision logic. We are not persuaded by PG&E's argument that the absence of PG&E owned sub transmission makes SCE's decision logic framework unnecessary. We find that there is value to SCE's decision logic beyond planning for sub transmission.

We find that in the context of distribution planning a decision logic framework is a structured analytical framework for translating multiple scenario outcomes into a single, justifiable investment plan under uncertainty. The decision logic guides planning by determining how to proceed when scenario planning results differ -for example when the *Base* and *High* scenarios identify different infrastructure needs or timelines. It defines criteria and steps for deciding whether to:

- move forward with a project (if both scenarios align, indicating a *consistent solution),* or

- further evaluate timing, scale, or necessity (if the *High* scenario shows earlier or greater needs, creating an *incremental solution).*

This proactive planning approach acknowledges the risk involved in scenario planning, and broader load growth, that may not materialize exactly as currently anticipated. At the same time, it identifies prudent solutions that prepare to serve that future load once higher certainty in the location, magnitude, and timing is established through known or pending loads.

Therefore, it is beneficial for PG&E and SDG&E to each adopt its own detailed decision logic framework like that proposed by SCE, and it is reasonable to require all utilities to include the detailed decision logic in the annual GNA/DUPR filing. For transparency, PG&E and SDG&E shall develop the decision logic framework and include the framework to be used in the 2025-2026 cycle in the 2026 Distribution Forecast Working Group workshop. The DFWG will be the venue for annually presenting the decision logic to be used in the upcoming DPEP cycle.

We find it reasonable to establish the following principles to guide the development of the decision logic frameworks:

- Includes prescribed thresholds at which to advance, defer, or resize projects.
- Supports timely energization for customers needing long-lead time infrastructure.
- Avoids stranded assets and overbuilding by identifying potential investments that can be scaled or repurposed if load does not materialize by the anticipated timeline.
- Enables long-term ratepayer savings by sizing upgrades to minimize the need to carry out redundant future projects at the same location

While the Decision Logic should guide the IOUs investment planning process, this should not be interpreted as the Commission pre-determining the reasonableness of future investments and the IOUs must still provide sufficient justification for future investments through their GRCs.

Adequacy of Base Scenario and Pending Loads Criteria

CALSTART argues that PG&E is not being aggressive enough by not considering the High scenario for investment, thus losing "dig-once" cost efficiencies. In response, PG&E makes changes to the pending load minimum criteria in its reply to protests. These changes lowered the minimum criteria for Category A and B for design, permitting, and funding specifically to allow projects to meet the criteria without spending potentially hundreds of thousands of dollars. We agree that PG&E's changes to the pending loads minimum criteria allow important information to have a more prominent role in pending loads, and therefore informing this approach to scenario planning and distribution planning overall. We further establish that PG&E shall adopt a decision logic framework, which will further promote sensible proactive planning.

High Scenario and Balance

We agree with the position of CALSTART that the decision logic framework provides transparency and mitigates against the risk of overbuilding and direct PG&E and SDG&E to develop and incorporate a framework. The Commission acknowledges the need for proactive planning, as evidenced by the requirement for this scenario planning implementation, and finds that requiring utilities to equally balanced the outcomes of the High and Low scenarios when creating the single investment plan, as proposed by Cal Advocates, would add complexity to the distribution planning process without improving the status quo. Therefore, we decline to require the scenarios to balance each other equally.

Additional Scenarios

We re-affirm the importance demand flexibility to distribution planning and concur with the Joint IOUs' comment that D.24-10-030 established a pathway for demand flexibility to be incorporated into distribution planning, since the

decision stated that the utilities shall prepare a demand flexibility distribution planning process assessment within the Electrification Impact Study Part 2 and propose a timeline to integrate it into the DPEP. Following the study's issuance and the utility proposals, a proposed decision in the High DER or successor proceeding may consider implementing a demand flexibility scenario into the DPEP. The High DER Proceeding is scoped to address this topic through a proposed decision in Track 1 Phase 2.[5] Once that study is issued, we will consider the applicability of demand flexibility to scenario planning and the overall DPEP.

Regarding PG&E's assertion that distribution planning is not the appropriate venue for a policy compliance scenario, we disagree that distribution planning is not the appropriate venue for a policy compliance scenario but find that the 2025-2026 cycle is not the time to implement a policy compliance scenario in DPEP given that there is no proposal for how to conduct this scenario.

We agree with SCE that the current proposals for three scenarios are sufficient for the initial implementation of scenario planning. However, we agree that policy compliance

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5 R.21-06-017 Assigned Commissioner's Amended Scoping Memo and Ruling, August 11, 2023.

scenarios and demand flexibility scenarios may be important components of scenario planning as it develops beyond the initial implementation. These types of scenarios will help to increase confidence of mid- to long-term planning and examine outcomes from differing future scenarios of load growth and demand management. As such, the Commission may consider changes to the scenarios, including the addition of policy compliance scenarios and demand flexibility scenarios, in a future cycle and in response to the results and findings of the Electrification Impact Study Part 2.

Guardrails and Data Reporting

IEPR Alignment

The Commission agrees with both Cal Advocates and the Joint IOUs on the following points: it is important for the scenarios used in the DPEP to be presented at the DFWG, to receive stakeholder comment, to undergo an approval process, and to be published in the annual GNA/DUPR filings. We differ with Cal Advocates on the source of the scenarios and the approval process. Regarding the source, the Commission agrees with SCE and SDG&E that there is not sufficient variation in the IEPR forecast to support a High Scenario on its own. This is why pending loads are playing a key role in High Scenarios. Regarding the approval process, the Commission agrees with the Joint IOU proposal that the current process for IEPR scenario approval is sufficient for approval of the new DPEP scenarios. This existing process includes the utilities proposing the scenarios to be used in the DPEP to Energy Division (including the IEPR scenario and the framework for the High and Low scenario presented in Table 1), receiving public comments, and delegating the authority to approve the scenarios to Energy Division by August 1 each year. The Commission may choose to revisit this process in the future, including depending on the outcomes of the initial cycle(s) of scenario planning implementation.

Data Reporting

The Commission agrees with SCE that the project execution tracking metrics from D.24- 10-030 Ordering Paragraph 26 are intended to inform evaluation of all planned and completed projects. This includes, among other things, whether an investment has mitigated the forecast grid need in the years after its completion, or if it is forecast to do so in the next five years, per Table 12 and 13 of D.23-10-030. This data will help inform post-fact evaluations of whether implemented grid upgrades have prevented grid violations or are projected to prevent grid violations within the next five years. We find the project execution tracking data, along with the Independent Engineer's evaluation, to mostly provide sufficient oversight for ensuring prudency and minimizing overbuild. However, in light of the scenarios adopted in this resolution, the utilities should also include reporting on the scenario (High, Low, or Base) that each project identified in the investment plan was identified through, including if it was identified through multiple scenarios, and provide details on how the Decision Logic was used to justify the projects' inclusion or exclusion from the investment plan.

PG&E proposes changing the reporting of the GNA in the new scenario planning framework. Currently, the GNA reports grid needs before mitigations are implemented and the DUPR reports the planned investments that mitigate the grid needs. As proposed by PG&E in the AL, the GNA would report grid needs for the High and Low scenarios after the mitigations are identified and applied in the Base case. PG&E states that the High and Low scenarios are based on the results of the Base Scenario mitigations, and it is therefore important to assess the forecast for the Low and High scenario after the Base scenario investments are included to see if adaptation or prioritization is needed. We find that limiting GNA reporting to after the Base case mitigations are applied would lack the transparency that the GNA reporting is intended for. This proposal would obscure the Base case grid needs and solutions by presuming them as given. It is appropriate for PG&E

to report the GNA Appendix E Bank and Feeder data both before and after the Base case solutions are applied. This can be done in separate tabs in the same GNA spreadsheet. Further, it is appropriate to include the guidance to all utilities to report the grid needs identified in all three scenarios in the GNA and report the single set of planned investments based on the three GNA outputs in the DUPR. The GNA bank and feeder reporting should continue to be a single spreadsheet and the different scenario outputs reported in dedicated tabs.

CCA Data Availability

The Commission agrees with the IOUs that the scope of the High DER Proceeding does not include data access to CCAs, and it is therefore not the appropriate venue for this discussion.

Process to Modify Scenario Planning

Scenario Planning Reform Process

CalCCA argues that PG&E and SCE proposals bypass regulatory approval for modifying the scenario planning framework because Energy Division approval, rather than Commission approval, does not suffice. CalCCA recommends the establishment of a regulatory process. In response, the Joint IOUs propose to submit a Tier 1 AL for any future framework changes. Such modifications could include changes in the number of scenarios that would be evaluated, changes in the thresholds used to trigger additional assessments, or broader changes in how the utility conducts scenario planning and identifies planned upstream distribution capacity upgrades. PG&E, in its Advice Letter proposal, included the stipulation that a Tier 2 Advice Letter would be filed by individual utilities to request modifications to the scenario planning framework.

The Commission agrees with CalCCA that there must be guardrails in place for

changes to the scenario planning framework, and that changes to the scenario planning framework must not be at the utilities' sole discretion. As stated in the IEPR Alignment section, it is appropriate for utilities to propose all DPEP scenarios through the established forecast approval process that allows for party comment and is subject to Energy Division approval. Through this process, utilities may propose specific inputs to each DPEP scenario, including pending loads and IEPR forecast selections. However, including new types of inputs into the scenario planning process would be considered beyond the scope of that approval process. Changes to the types of inputs (e.g., studies, utility developed tools, or alternate forecasts) and broader scenario planning framework modifications (e.g., the number of scenarios evaluated, the thresholds that trigger additional assessments, the decision logic, or the approach the utility uses for scenario planning and identifying planned upstream distribution capacity upgrades) constitute major changes that should be subject to Commission approval.

Furthermore, there must be an opportunity for stakeholder input and reform to the scenario planning framework. It is important to the success of scenario planning that the Commission be able to collect stakeholder input on the scenario planning framework and make timely adjustments to its function. The Commission may decide to take up changes to this process through the High DER or successor proceeding. In addition, Energy Division is granted authority to direct the three utilities to make changes to the scenario planning reporting requirements on an annual basis so that valuable data is collected and reported correctly and consistently to inform the DPEP process. Energy Division shall post such changes to the R.21-06-017 service list.

SDG&E Proposal

SDG&E, in contrast to PG&E and SCE, does not define its scenarios by the incorporation of different categories of pending loads. SDG&E instead proposes

to alter planning standards, the thermal capacity limit specifically, to imitate an increase in load growth, or use a theoretical alternate IEPR scenario when one exists to model demand flexibility.

The Commission adopted framework that draws from the portions of PG&E and SCE's proposals offers a more structured and modular framework that is better suited for iteration over time. For this reason, we require SDG&E to adopt the same framework as described in this Resolution starting in the 2025-2026 cycle.

COMMENTS

Public Utilities Code section 311(g)(l) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. 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. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSION

1. Decision D.24-10-030 directed Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, to jointly file an Advice Letter that proposes a framework for implementation of scenario-based planning and identifies the steps to be taken to facilitate the transition to using scenarios and a timeline for using them in the 2025-2026 DPP cycle.
2. On June 30, 2025, the joint utilities filed their proposals to implement

scenario planning in the distribution planning process beginning in the 2025-2026 distribution planning cycle.

3. On July 22, 2025, SDG&E AL 4675-E et al. was timely protested by CALSTART, Cal Advocates, CalCCA, and EDF/NRDC. and was jointly responded to by SDG&E, PG&E, and SCE.
4. On July 29, 2025, SDG&E, on behalf of the joint utilities responded to the protests submitted by CALSTART, Cal Advocates, CalCCA, and EDF/NRDC and the responses submitted by CALSTART.
5. It is reasonable to adopt the following goals and purpose of scenario planning: (1) to analyze multiple forecasts and identify distribution grid deficiencies for each scenario; (2) to ensure grid readiness for load growth through an investment plan that meets near term and long term needs and includes least regrets proactive investments; and (3) to clearly and transparently report the grid needs of multiple scenarios and logically translate them into a set of clearly and transparently reported planned investments.
6. Some standardization of the scenario planning framework is needed for consistency across distribution planning. Therefore, the Commission takes steps in this resolution to align on a unified scenario planning frameworks as described in this Resolution.
7. There is value to SCE's decision logic beyond planning for sub transmission.
8. In the context of distribution planning a decision logic framework is a structured analytical framework for translating multiple scenario outcomes into a single, justifiable investment plan under uncertainty. The decision logic guides planning by determining how to proceed when scenario planning results differ. This proactive planning approach acknowledges the risk involved in scenario planning, and broader load growth, that may not materialize exactly as currently anticipated. At the same time, it identifies prudent solutions that prepare to serve that future load once higher certainty in the location, magnitude, and timing is established through known or pending loads.
9. For transparency, it is reasonable to require all utilities to include their own detailed decision logic framework in the annual GNA/DUPR filing.

10. For clarity, it is reasonable to require each utility to make clear what planned investments are driven by the High Scenario, and for these projects report the difference between the Base and the high project sizes and include the decision logic rationale for justification.
11. For transparency it is reasonable that utilities should also include reporting on the scenario (High, Low, or Base) that each project identified in the investment plan was identified through, including if it was identified through multiple scenarios, and provide details on how the Decision Logic was used to justify the projects' inclusion or exclusion from the investment plan.
12. It is reasonable to establish principles to guide the development of Decision Logic Frameworks for Scenario Planning.
13. PG&E's changes to the minimum criteria of the pending loads categories allow important information to have a more prominent role in pending loads and therefore in scenario planning and distribution planning overall.
14. Equally balanced High and Low scenarios add complexity to the distribution planning process without improving the status quo. Therefore, it is reasonable to decline to require the scenarios to balance each other equally.
15. In Ordering Paragraph 19, Decision D.24-10-030 established a pathway for demand flexibility to be incorporated into distribution planning. It is very important to integrate demand flexibility into scenario planning once the EIS Part 2 Study is completed. The High DER Proceeding is scoped to address this topic through a proposed decision in Track 1 Phase 2.
16. The current proposals for three scenarios are sufficient to accomplish the initial implementation of scenario planning in the 2025-2026 cycle.
17. It is important that the scenarios to be used in the DPEP be presented at the DFWG, subject to stakeholder comment, undergo an Energy Division approval process, and be published in the annual GNA/DUPR filings.

18. The IEPR forecast scenarios, on their own, lack sufficient variation to support scenario analysis within the planning framework that would yield meaningful results.
19. The current process for IEPR forecast approval is the appropriate process to approve scenario forecast proposals under the scenario planning framework. This process includes the utilities proposing the scenarios to use in the DPEP to Energy Division, allowing public comments, and delegating the authority to approve the scenarios to Energy Division.
20. In Ordering Paragraph 26, D.23-10-030 established the project execution tracking metrics to evaluate all planned and completed projects. This includes, among other things, whether an investment has mitigated the forecast grid need in the years after its completion, or if it is forecast to do so in the next five years, per Table 12 and 13 of D.23-10-030. The project execution tracking data provides sufficient oversight for ensuring prudency and minimizing overbuilding.
21. Limiting GNA reporting to after the Base case mitigations are applied would lack the transparency that the GNA reporting is intended for.
22. It is appropriate for PG&E to report the GNAAppendix E Bank and Feeder data both before and after the Base case solutions are applied.
23. It is appropriate to report the grid needs identified in all three scenarios in the GNA and report the single set of planned investments, based on the three GNA outputs, in the DUPR.
24. The scope of the High DER Proceeding does not include data access to CCAs, and it is therefore not the appropriate venue for this discussion.
25. There must be guardrails in place for changes to the scenario planning framework, and that changes to the scenario planning framework must not be at the utilities' sole discretion.
26. Changes to the types of inputs and broader changes to the scenario planning framework are larger changes that should be subject to stakeholder input and Commission decision.

27. There must be an opportunity for stakeholder input and reform to the scenario planning framework. It is important to the success of scenario planning and to the safety of ratepayers that the Commission be able to collect stakeholder input on the scenario planning framework and make timely adjustments to its function.
28. It is reasonable and beneficial to grant Energy Division authority to direct the three utilities to make changes to the scenario planning reporting requirements on an annual basis so that valuable data is collected and reported correctly and consistently to inform the DPEP process.
29. SDG&E, in contrast to PG&E and SCE, does not define its scenarios by the incorporation of different categories of pending loads.
30. SDG&E proposes to delay the incorporation of a Low Scenario until the IEPR includes an adequately different scenario and gives the example of a hypothetical load management forecast.
31. It is reasonable for the scenario planning framework, as adopted and modified by this resolution, to be implemented in the 2025-2026 DPEP cycle for all three utilities.
32. The Commission may revisit and modify the framework adopted in this resolution.

THEREFORE IT IS ORDERED THAT:

1. The request of the San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company to implement scenario planning in the 2025-2026 distribution planning process as requested in Advice Letter 4675-E is approved with modifications set forth below and otherwise specified herein.
2. San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall adopt the scenario planning framework in their distribution planning process as detailed in Table 1.
3. San Diego Gas & Electric Company, Southern California Edison

Company, and Pacific Gas and Electric Company shall include the detailed decision logic framework in the annual Distribution Upgrade Project Report filing and present it at the annual Distribution Forecast Working Group for feed-back.

4. San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall propose the scenarios to be used in the Distribution Planning Execution Process to Energy Division, present them in detail at the Distribution Forecast Working Group, be subject to stakeholder comment, undergo the Energy Division approval process, and be published in the annual Grid Needs Assessment/Distribution Upgrade Project Report filings.

5. San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall report, in the annual Distribution Upgrade Project Report (DUPR), a single set of planned investments informed by the scenario outputs. For every project reported in the DUPR that is driven by the High Scenario, the utility shall identify (a) that the project is driven by the High Scenario, (b) the difference in project size (MW or other relevant metric) between the Base and High Scenarios, and (c) the decision-logic rationale for why the project is included in the single investment plan. The utilities should also include reporting on the scenario (High, Low, or Base) that each project identified in the investment plan was identified through, including if it was identified through multiple scenarios, and provide details on how the Decision Logic was used to justify the project's inclusion or exclusion from the investment plan.

6. San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall report the Grid Needs Assessment Bank and Feeder data both before and after the Base Scenario solutions are applied. This data shall be with scenario outputs in dedicated tabs and in machine- readable spreadsheet form.

7. Energy Division is granted authority to direct the three utilities to make changes to the scenario planning reporting requirements on an annual basis so that valuable data is collected and reported correctly and consistently to inform the Distribution Planning and Execution Process.

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 December 4,2025; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added upon adoption of the resolution

Dated December 4,2025, at San Francisco, California