

Decision 26-02-008 February 5, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Trans Bay Cable LLC (U934E), NextEra Energy Transmission, LLC, NextEra Energy Transmission Funding, LLC, NextEra Energy Transmission Holdings, LLC, Bay Area Transmission Holdings, LLC, Trans Bay Cable Holdings LLC, Trans Bay Funding II LLC, Transmission Services Holdings LLC, and California Transmission Company L.P. for Authority to Sell and Transfer a Fifty Percent Indirect Ownership Interest in Trans Bay Cable LLC to California Transmission Company L.P

Application 25-07-009

DECISION GRANTING APPLICATION FOR AUTHORITY TO SELL AND TRANSFER A FIFTY PERCENT INDIRECT OWNERSHIP INTEREST IN TRANS BAY CABLE LLC TO CALIFORNIA TRANSMISSION COMPANY L.P.

Summary

Pursuant to Public Utilities Code Section 854, we grant the application of Trans Bay Cable LLC (U934E) (TBC), NextEra Energy Transmission, LLC, NextEra Energy Transmission Funding, LLC, NextEra Energy Transmission Holdings, LLC, Bay Area Transmission Holdings, LLC, Trans Bay Cable Holdings LLC, Trans Bay Funding II LLC, Transmission Services Holdings LLC,

and California Transmission Company L.P. (Buyer) for authority to sell and transfer a 50 percent indirect ownership interest in TBC to Buyer.

This proceeding is closed.

1. Background

Application (A.) 25-07-009 seeks approval of a proposed sale and transfer of a fifty percent indirect ownership interest in Trans Bay Cable LLC to California Transmission Company L.P. A membership interest purchase agreement (Purchase Agreement) dated July 6, 2025 forms the basis of the proposed transaction. Bay Area Transmission Holdings, LLC and California Transmission Company L.P. are each a party to the Purchase Agreement, and are described as follows:

Bay Area Transmission Holdings, LLC (Seller)

Seller is a Delaware limited liability company. Seller owns all of the issued and outstanding membership interests of Trans Bay Funding II LLC (Trans Bay Funding), a Delaware limited liability company. Trans Bay Funding owns all of the issued and outstanding membership interests of Transmission Services Holdings LLC (TS Holdings), a Delaware limited liability company. TS Holdings owns all of the issued and outstanding membership interests of Trans Bay Cable LLC.

Seller is a wholly owned subsidiary of NextEra Energy Transmission, LLC.

NextEra Energy Transmission, LLC (NEET)

Neet's subsidiaries develop, acquire, own and operate regulated transmission facilities throughout the United States. In addition to Seller, NEET

wholly owns Trans Bay Cable Holdings, LLC; NextEra Transmission Funding, LLC; and NextEra Energy Transmission Holdings, LLC.

TBC

TBC is a public utility as defined by Public Utilities (Pub. Util.) Code Section 216 and an electrical corporation as defined by Pub. Util. Code Section 218. TBC is a transmission-only business operating a single high-voltage direct current transmission line at 400 megawatts of capacity. TBC is under the operational control of the California Independent System Operator.

California Transmission Company L.P. (Buyer)

Buyer is a wholly owned subsidiary of Brookfield Corporation.

1.1. Submission Date

This matter was submitted on November 25, 2025 upon Joint Applicants' filing of supplemental information.

2. Jurisdiction and Standard of Review

Joint Applicants request approval of the proposed transaction pursuant to Public Utilities (Pub. Util.) Code Sections 851, 852 and 854(a). We further consider whether Pub. Util. Code Sections 854(b), 854(c) and/or 854(d) apply.

Pub. Util. Code Section 851 provides broad Commission authority to approve transactions that involve public utilities operating within California. More specifically, Pub. Util. Code Section 854(a) provides:

A person or corporation, whether or not organized under the laws of this state, shall not directly or indirectly merge, acquire, or control, including pursuant to a change in control as described in subparagraphs (D) or (E) of paragraph (1) of subdivision (b) of Section 854.2, any public utility organized and doing business in this state without first securing

authorization to do so from the commission. The commission may establish, by order or rule, the definitions of what constitutes a merger, acquisition, or control activity that is subject to this section. Any merger, acquisition, or control without that prior authorization is void. A public utility organized and doing business under the laws of this state, and a subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility, shall not aid or abet any violation of this section.

TBC is a California public utility subject to the Commission's jurisdiction.

Accordingly, Pub. Util. Code Sections 851 and 854 apply for the purpose of considering the instant application. After the proposed transaction is completed, the Commission will retain the same regulatory authority over TBC that it currently possesses.

The Commission exercises its broad discretion under Pub. Util. Code Sections 851 and 854 to approve or reject a proposed transaction. The primary standard used by the Commission to determine if a proposed transaction should be authorized under Pub. Util. Code Section 854(a) is whether the transaction will be "adverse to the public interest."¹ The Commission may also consider if the proposed transfer of control is in the public interest.² When necessary and

¹ See D.07-03-047 at 5. See also D.03-06-069, in which the Commission stated that in evaluating a transaction under Pub. Util. Code § 854(a), it has discretion to consider the criteria set forth in Pub. Util. Code §§ 854(b) and (c), including "short-term and long-term economic benefit to ratepayers," "adverse effect [on] competition," "quality of service," "quality of management," "fair[ness] and reasonable[ness] to affected public utility employees," "fair[ness] and reasonable[ness] to... shareholders," "[benefit] on an overall basis to state and local economies," "capacity of the commission to effectively regulate and audit," and "mitigation measures to prevent significant adverse consequences which may result."

² D.24-05-009 at 9; D.09-09-005 at 16.

appropriate, the Commission may impose requirements, as a condition of the transaction, to protect and promote the public interest.³

Further, Pub. Util. Code Section 852 provides:

No public utility, and no subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility, shall purchase or acquire, take or hold, any part of the capital stock of any other public utility, organized or existing under or by virtue of the laws of this state, without having been first authorized to do so by the commission; provided, however, that the commission may establish by order or rule categories of stock acquisitions which it determines will not be harmful to the public interest, and purchases within those categories are exempt from this section. Every assignment, transfer, contract, or agreement for assignment or transfer of any stock by or through any person or corporation to any corporation or otherwise in violation of any of the provisions of this article is void and of no effect, and no such transfer shall be made on the books of any public utility. Nothing in this section prevents the holding of stock previously lawfully acquired.

Buyer is an affiliate of Brookfield Corporation, which indirectly controls two California natural gas storage utilities and at least one entity providing full facilities-based and resold local exchange and interexchange services in California. Accordingly, Pub. Util. Code Section 852 also applies for the purposes of considering the instant application. The purpose of Pub. Util. Code Section 852 and related sections is to enable the Commission, before any transfer of a public

³ *Id.*

utility is consummated, to review the situation and to take such action, as a condition of the transfer, as the public interest may require.⁴

Pub. Util. Code Section 854(b) requires the Commission to make certain findings before approving the acquisition of an electrical corporation “if any utility that is a party to the proposed transaction has gross annual California revenues exceeding five hundred million dollars (\$500,000,000).” Joint Applicants confirm that TBC is the only utility affected by the proposed transaction, and that TBC does not have gross annual California revenues exceeding five hundred million dollars.⁵ Based on the information in the proceeding record, we do not find that Pub. Util. Code Sections 854(b) applies to the proposed transaction.

Pub. Util. Code Section 854(c) requires the Commission to make certain findings before authorizing the acquisition of an electrical corporation “if any entity that is a party to the proposed transaction has gross annual California revenues exceeding five hundred million dollars (\$500,000,000).” Pub. Util. Code Section 854(g) specifies that “[i]n determining whether an acquiring utility has gross annual revenues exceeding the amount specified in subdivisions (b) and (c), the revenues of an affiliate of that utility shall not be considered unless the affiliate was used to effect the merger, acquisition, or control.” Pub. Util. Code Section 854(d) requires the Commission to make additional findings before

⁴ See D.04-04-063 at 3-4; D.04-05-051 at 3-4.

⁵ *Applicants’ Response to Administrative Law Judge’s Second Ruling Directing Submission of Supplemental Information*, filed November 25, 2025 (November 25, 2025 supplemental response) at 3-4 and Exhibit 1.

authorizing the acquisition of an electrical corporation “if any entity that is a party to the proposed transaction has gross annual California revenues exceeding four hundred million dollars (\$400,000,000).” Joint Applicants confirm that both Seller and Buyer have no California revenues. Joint Applicants further confirm that entities associated with Brookfield Super-Core Infrastructure Partners (BSIP), a Brookfield-controlled fund, have guaranteed certain funding obligations of Buyer in connection with the proposed transaction but are not otherwise a party to the proposed transaction. BSIP’s California revenues are forecasted to be less than ten million dollars in 2025.⁶ Based on the information in the proceeding record, we do not find that Pub. Util. Code Sections 854(c) or 854(d) apply to the proposed transaction.

3. The Commission’s Tribal Land Transfer Policy

The Commission adopted the Tribal Land Transfer Policy on December 5, 2019,⁷ in recognition of a relationship between the State of California and California Native Americans that was “fraught with violence, exploitation, dispossession and the attempted destruction of tribal communities.”

⁶ November 25, 2025 supplemental response at 4-6.

⁷ *Investor-Owned Utility Real Property — Land Disposition — First Right of Refusal for Disposition of Real Property Within the Ancestral Territories of California Native American Tribes*, adopted pursuant to the California Public Utilities Commission’s Tribal Consultation Policy in Executive Order B-10-11 (September 19, 2011) and Executive Order N-15-19 (June 18, 2019); and Executive Order N-15-19 apologizing on behalf of California to California Native American Peoples for mistreatment, violence and neglect; and establishing the Truth and Healing Council to provide Native Americans a platform to clarify the historical record and work collaboratively with the state to begin the healing process. Uniform resource locator (URL):

<https://www.gov.ca.gov/wp-content/uploads/2019/06/6.18.19-Executive-Order.pdf> (accessible as of April 17, 2025).

The policy recognizes that the investor-owned utilities often own real property located within Tribal ancestral territories. These real properties hold historical, spiritual and other significance for California Tribes: some of these lands include the remains of California Native Americans; others are places of spiritual and cultural importance where California Native Americans have prayed, held ceremonies, and gathered traditional and medicinal plants. Executive Orders, federal and state laws, policies, and regulations acknowledge legal rights of access to certain lands and require state consultation with affected California Native American Tribes prior to taking actions impacting such lands. California law and policy encourages consultation and cooperation with tribal governments, particularly concerning the protection of Tribal sacred places and cultural resources.

Resolution E-5076 (Guidelines to Implement the Tribal Land Transfer Policy) provides that utilities must (1) notify the appropriate local Native American tribes⁸ of any proposed dispositions of utility-owned real property that are subject to Section 851, and (2) allow 90 days for the tribes to respond as to their interest to take, purchase or refuse the transfer of the subject real property.⁹

The application contends that the Tribal Land Transfer Policy does not apply to the proposed transaction because TBC, the Commission-regulated public utility, will continue to own all of the same real property interest that it

⁸ According to Commission Tribal Land Transfer Policy (December 5, 2019) at 1, a “tribe” refers to a California Native American Tribe that is on the contact list maintained by the Native American Heritage Commission; this list contains both federally recognized tribes and tribes that are not recognized by the federal government.

⁹ D.21-08-027 at 17.

currently holds.¹⁰ Because there is no proposed disposition of utility-owned real property in this case, we find it is reasonable to waive the requirements of Resolution E-5076 to the proposed transaction.

4. Environmental Review Considerations

The California Environmental Quality Act (CEQA) applies to discretionary projects to be carried out or approved by public agencies.¹¹ A basic purpose of CEQA is to “inform governmental decision-makers and the public about the potential, significant environmental effects of the proposed activities.”¹²

In some instances, a change of ownership and/or control may alter an approved project, result in new projects, or change facility operations, etc. in ways that have an environmental impact. However, based on the application and Joint Applicants’ supplemental responses, we find that the proposed transaction will not result in any change in operation of TBC’s facilities or in any additional construction. Therefore, we find that the proposed transaction falls within California Code of Regulations Section 15060(c)(2) of the CEQA guidelines, which states in pertinent part: “...An activity is not subject to CEQA if...(2) The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.” Accordingly, the proposed transaction is not subject to CEQA, and the Commission need perform no further environmental review.¹³

¹⁰ Application at 19-20 and prehearing conference transcript at 12: 5-12.

¹¹ Pub. Res. Code § 21000, *et seq.*

¹² Title 14 of the California Code of Regulations (CEQA Guidelines), § 15002(a)(1).

¹³ See Guidelines for Implementing CEQA in the California Code of Regulations Sections 15060-15065.

5. Approval of the Proposed Transaction

This decision finds that the proposed transaction is not anticipated to have an adverse impact on the public interest, and should therefore be approved in accordance with the terms and conditions of the Purchase Agreement. The following facts support approval of the proposed transaction:

- The proposed transfer of indirect ownership of TBC will not result in any change in the Commission's regulatory jurisdiction over TBC.¹⁴
- The proposed transfer of indirect ownership of TBC will not result in any change in the direct ownership or legal structure of TBC.¹⁵
- The proposed transfer of indirect ownership of TBC will not result in any change to the current employees or day-to-day operations of TBC, and should therefore not adversely affect the safety or reliability of TBC's operations.¹⁶
- The proposed transfer of indirect ownership will not result in any change of rates charged by TBC, and TBC's wholesale transmission rates will continue to be regulated exclusively by the Federal Energy Regulatory Commission (FERC). TBC will neither seek nor be entitled to any increase in rates pursuant to the transaction or to recover any incurred costs pursuant to the transaction, nor will the

¹⁴ Application at 4-5.

¹⁵ Application at 3-4, 14 and Exhibit 6.

¹⁶ Application at 4-5, 9-10, 14-17, Exhibit 6 and Exhibit 7.

transfer result in encumbrance of utility assets nor have an adverse effect on competition.¹⁷

- The proposed transfer of indirect ownership will enable NEET to redeploy a portion of the capital it currently holds in TBC and provide for enhanced access to capital in support of TBC.¹⁸ Buyer is owned and controlled by Brookfield Corporation; Joint Applicants state that Brookfield Corporation has extensive experience investing in and supporting regulated public utility assets, demonstrating its ability to make major operating decisions for regulated utility businesses such as TBC.¹⁹

For the above reasons, this decision concludes that the proposed transaction presents no harm to TBC's direct customers or to the public. Therefore, the proposed transaction is not anticipated to adversely impact the public interest.

6. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

As of December 17, 2025, the Commission received no written public comments in this proceeding.

¹⁷ Application at 4, 16-17, 22 and Applicants' Response to Administrative Law Judge's Ruling Direction Submission of Supplemental Information, filed October 10, 2025 (October 10, 2025 supplemental response) at 3.

¹⁸ Application at 11.

¹⁹ October 10, 2025 supplemental response at 6-7.

7. Procedural Matters

Pursuant to Rule 11.4, two motions are pending for leave to file confidential filings. The first, dated July 21, 2025, was a motion brought by Joint Applicants for leave to file unredacted Exhibit 3, Exhibit 4 and Exhibit 9C to the Application as confidential materials under seal. The second, dated October 10, 2025, was a motion brought by Joint Applicants for leave to file Attachment ALJ-3 of their October 10, 2025 response as confidential materials under seal. For both motions, Joint Applicants represented that these materials reveal information constituting privileged trade secrets, and the public interest served by not disclosing these materials outweighs the public interest served by disclosure.

There is no opposition to these motions to file under seal.

We have reviewed the motions, and we have reviewed the subject matter these motions seek to protect. In both motions, Joint Applicants assert the materials at issue are commercially sensitive, non-public business and financial information, release of which could place the parties at an unfair business advantage.

We have granted similar requests in the past and do so here.

This decision affirms all rulings made by the Administrative Law Judge (ALJ) and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

8. Waiver of Comment Period

This matter is uncontested and the decision grants the relief requested. Therefore, the otherwise applicable thirty-day period for public review and comment is waived pursuant to Pub. Util. Code Section 311(g)(2).

9. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Valerie U. Kao is the assigned ALJ in this proceeding.

Findings of Fact

1. TBC is a “public utility” and “electrical corporation” as those terms are defined by Pub. Util. Code Sections 216 and 218. TBC is a transmission-only business operating a single high-voltage direct current transmission line at 400 megawatts of capacity. FERC regulates TBC’s rates and terms and conditions of service. TBC is under the operational control of the California Independent System Operator.
2. Joint Applicants seek the Commission’s approval for Seller to sell and transfer a 50 percent indirect ownership interest in TBC to Buyer.
3. No party filed a protest or response to the application.
4. Seller and Buyer entered into a Membership Interest Purchase Agreement for Buyer to purchase a fifty percent indirect ownership interest in TBC for an amount greater than the threshold amount required under Pub. Util. Code Section 851.
5. The sale will occur after Joint Applicants obtain Commission approval.

6. The reason for the sale is to enable NEET to redeploy a portion of the capital it currently holds in TBC and to increase access to capital in support of TBC.
7. The proposed transaction will not interfere with TBC's utility operations or with service to TBC's customers and the public.
8. The proposed transaction presents no anticipated harm to TBC's direct customers or to the public.
9. The proposed transaction will not result in a disposition of utility-owned real property.
10. The proposed transaction will not result in any change in operation of TBC's facilities or in any additional construction.
11. Exhibits 3, 4 and 9C to the application and Attachment ALJ-3 to the October 10, 2025 supplemental response contain confidential, commercially sensitive business and financial information, release of which could place the parties at an unfair business advantage.

Conclusions of Law

1. The proposed transaction is not adverse to the public interest and complies with Pub. Util. Code Sections 851, 852 and 854(a).
2. It is reasonable to waive the requirements of Resolution E-5076 because the proposed transaction will not result in disposition of utility-owned real property.
3. The proposed transaction is not subject to CEQA because it will not result in any change in operation of TBC's facilities or in any additional construction.
4. It is reasonable to grant the July 21, 2025 and October 10, 2025 motions for leave to file confidential materials under seal because the materials contain

confidential, commercially sensitive business information, release of which could place the parties at an unfair business advantage.

O R D E R

IT IS ORDERED that:

1. Bay Area Transmission Holdings, LLC is authorized to enter into and perform under a Membership Interest Purchase Agreement with California Transmission Company L.P. to sell and transfer a fifty percent indirect ownership interest in Trans Bay Cable LLC, as provided in Exhibit 9C of the application.
2. The July 21, 2025 *Applicants' Motion for Leave to File Confidential Material Under Seal* is granted.
3. The October 10, 2025 *Applicants' Motion for Leave to File Confidential Material Under Seal* is granted.
4. Application 25-07-009 is closed.

This order is effective today.

Dated February 5, 2026, at Sacramento, California.

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners