

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**Item #17 (Rev. 1)
Agenda ID# 24262
RESOLUTION E-5456
July 2, 2026**

R E S O L U T I O N

Resolution E-5456. Southern California Edison Request for Modification of Southern California Edison Company Capacity Bidding Elect Program to Allow Customers to Directly Participate in the Program

PROPOSED OUTCOME:

- Approves Southern California Edison’s (SCE) request to include an option for bundled and unbundled customers to enroll directly into the Capacity Bidding Program Elect (CBP-E), with SCE acting as the aggregator.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution

By Advice Letter SCE 5675-E, Filed on November 12, 2025.

SUMMARY

This Resolution approves SCE’s request to create an option within its CBP-E tariff to allow any customer, bundled or unbundled, to directly enroll in the CBP-E program. SCE would act as the aggregator for the directly enrolled customers.

BACKGROUND

On March 3, 2025, the Commission approved SCE's Advice Letter (AL) 5321-E/E-A establishing the CBP-E program and tariff pursuant to Decision (D.) 25-12-005.¹ The program allowed residential customers to participate through a third-party aggregator. In that same decision, the Commission defined Demand Response (DR) programs meeting certain criteria as "Qualified DR Programs." A qualified DR Program satisfies a potential DR enrollment requirement established by the Commission for a Commission-authorized program outside of a DR proceeding.

On March 22, 2024, the Commission issued D.24-03-071, which required enrollment in a Qualified DR Program as a condition for receiving certain Self-Generation Incentive Program (SGIP) incentives.² CBP-E was identified as a Qualified DR Program for SGIP in AL 5531-E/E-A, approved on July 8, 2025.

Currently, there are two Qualified DR programs in the SCE territory: Critical Peak Pricing, which is only available to bundled customers, and CBP-E, which is open to both bundled and unbundled customers. However, for residential customers to participate in CBP-E, they must enroll with a third-party aggregator that participates in CBP-E. The existing third-party aggregators in CBP-E are not currently enrolling residential customers in the SCE CBP-E program. In the absence of third-party aggregators enrolling unbundled customers, those customers may be left without a way to meet the DR participation conditions required to receive SGIP incentives.

To fill this gap in participation options for residential customers, SCE filed AL 5675-E on November 12, 2025, requesting changes to the CBP-E program and the tariff to allow residential customers to use a direct participation option (DPO) with SCE. In this option, a third-party administrator, or "Operator," would be responsible for monthly nominations, processing enrollments, and determining performance/non-performance. SCE indicated that the program changes would not require any additional funding from that previously approved in D.23-12-005.

NOTICE

Notice of AL 5675-E was made by publication in the Commission's Daily Calendar. Southern California Edison states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

¹ D.23-12-005, p. 98

² D.24-03-071, OP 21

PROTESTS

Advice Letter 5675-E was not protested.

DISCUSSION

This advice letter was filed as a Tier 2 advice letter. A Tier 2 advice letter is subject to disposition by Energy Division, where statutes or Commission orders have required the action proposed in the advice letter or have authorized the action with sufficient specificity that Energy Division needs only to determine as a technical matter whether the proposed action is within the scope of what has already been authorized by statute or Commission order.³ Matters appropriate to Tier 3 advice letters and subsequent disposal through Commission Resolution include “a tariff change in compliance with a statute or Commission order where the wording of the change does not follow directly from the statute or Commission order.” (GO-96B Industry Specific Rules – Rule 5.3(2)).

Here, SCE did not tether the redesign of the direct participation option to any specific decisional authority that would permit ministerial Energy Division approval. However, SCE’s request to offer a direct participation option to customers in CBP-E is reasonable and it complies with and is consistent with D.23-12-005. Therefore, Energy Division staff elevated this advice letter from Tier 2 to Tier 3 so that it can be appropriately disposed of via Commission Resolution and notified SCE of this change on March 17, 2026.

SCE’s request to offer a direct participation option to customers in CBP-E is reasonable because the Commission cannot compel third party DR providers to participate in a DR program. However, in the absence of a DR provider, otherwise eligible SGIP customers could be unable to meet the DR requirement and receive SGIP incentives. The DPO allows these customers to enroll in a Qualified DR program and receive SGIP incentives. This option also enables other interested residential customers to enroll in the CBP-E program.

We confirm that the introduction of this option does not preclude customers from enrolling with third-party aggregators should they decide to participate in CBP-E and enroll residential customers.

The Commission finds that SCE’s request to offer a direct participation option to customers in CBP-E is reasonable and in compliance with D.25-12-005.

³ GO-96B Industry Specific Rules - Rule 7.6.1

Advice Letter SCE 5675-E is approved.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. 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.

SCE filed timely comments on June 18, 2026. Reply comments were not accepted for this draft resolution.

SCE had no objections to the draft Resolution but asked that an additional order be included. SCE's CBP-E program restricts medical baseline customers enrollment in the program. SCE notes that the medical baseline restriction means that unbundled customers will not have access to any qualified DR program for SGIP compliance. As such, SCE proposes to remove the restriction completely from the CBP-E tariff and requests the following order be added:

6. Within 30 days of the issuance date of this Resolution, Southern California Edison shall submit a Tier 1 advice letter proposing tariff revisions to (1) allow eligible Medical Baseline customers to participate in the Capacity Bidding Program–Electric (CBP-E), and (2) establish customer protection provisions for such customers.

The Commission rejects this request on procedural grounds. Advice Letter 5675-E which is the subject of this Resolution, did not include the Medical Baseline participation request. Instead, the request was introduced in comments to the draft resolution, denying parties a reasonable opportunity to comment. Therefore, the Commission denies this request without prejudice.

FINDINGS AND CONCLUSIONS

1. This advice letter did not cite any specific Commission authority; therefore, it must be disposed of via Resolution.
2. The Commission cannot compel third parties to participate in a demand response program or to take on customers.
3. CBP is the only qualified DR program available to SCE unbundled customers.
4. Without a direct participation option or residential third-party aggregator participation, some customers may not be able to participate in SGIP because they do not have a qualified DR option.
5. The Commission finds that SCE's request to offer a direct participation option to customers is reasonable.

THEREFORE IT IS ORDERED THAT:

1. The request of the Southern California Edison to create a direct participation option in the CBP-E program and tariff as requested in Advice Letter 5675-E is approved.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 2, 2026; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added
upon adoption of the resolution

Dated July 2, 2026, at Fort Bragg, California.