

Decision 26-10-078

October 29, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes.

Rulemaking 25-06-019

ORDER GRANTING LIMITED REHEARING OF DECISION 26-02-057

This Order addresses the application for rehearing of *Decision Requiring 2029-2032 Electric Resource Procurement and Transmitting Portfolios for 2026-2027 Transmission Planning Process*, Decision 26-02-057 (2026) (Decision)¹ filed by the Alliance for Retail Energy Markets, California Coalition of Large Energy Users, the Regents of the University of California, and Shell Energy North America (US), L.P. (collectively, Rehearing Applicants). Relevant here, the Decision allocates procurement of 6,000 megawatts of net qualifying capacity using a load share-based methodology to load-serving entities (LSEs) subject to the procurement order. (D.26-02-057 at 145 (Ordering Paragraph 6).)

On April 6, 2026, Rehearing Applicants timely filed an application for rehearing alleging that the Decision's allocation methodology fails to adequately consider that direct access load served by energy service providers is statutorily capped. They claim that the Decision's allocation methodology violates Public Utilities Code sections 397, 365.2, 366.2(d)(1), 366.3, and 454.52, is inconsistent with cost-causation principles, and is unsupported by the record. Rehearing Applicants do not challenge any other

¹ Unless otherwise noted, citations to Commission decisions issued after July 1, 2000 are to the official pdf versions, which are available on the Commission's website at: <http://docs.cpuc.ca.gov/DecisionsSearchForm.aspx>.

aspect of the Decision, including the Commission's determination that 6,000 megawatts of new capacity is needed for system reliability.

We have carefully considered the arguments raised in the application for rehearing and find grounds to grant limited rehearing. Rehearing of the Decision is granted for the limited purpose of reconsidering the Decision's allocation methodology. The limited rehearing will not affect the Commission's determination that the LSEs will collectively need to procure 6,000 megawatts of new capacity. Therefore, we shall leave the allocation order in place on an interim basis to minimize disruptions to the LSEs' procurement activities during the limited rehearing, unless otherwise directed by a ruling or other action of the Commission.

THEREFORE, IT IS ORDERED that:

1. Limited rehearing of D.26-02-057 is granted.
2. D.26-02-057's allocation methodology shall remain in place on an interim basis during the limited rehearing, absent further direction from the assigned Administrative Law Judge or Commission.
3. This proceeding, Rulemaking 25-06-019, remains open.

This order is effective today.

Dated October 29, 2026, at San Francisco, California.

JOHN J.D. REYNOLDS

President

DARCIE L. HOUCK

KAREN DOUGLAS

MATTHEW BAKER

CHRISTINE HARADA

Commissioners