BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

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Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes	**Rulemaking 25-02-005** **(Filed February 20, 2025)**

CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION OPENING COMMENTS ON TRACK 3 SCOPING ISSUES

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The California Large Energy Consumers Association (CLECA)[1] submits these comments responding to the questions posed to parties in the February 20, 2026 *Administrative Law Judge's Ruling Authorizing Parties To File Comments On Issues To Address In Track 3*.

I. QUESTIONS REGARDING TRACK 3 SCOPING ISSUES

A. What issues should be addressed in Track 3 of this proceeding? If you have views on how these issues should be prioritized, also provide that input.

CLECA members include customers taking service under utility bundled service and unbundled service arrangements through Community Choice Aggregators (CCAs) and Electric Service Providers (ESPs). Because rate affordability remains a critical concern for all bundled and unbundled customer classes, the Commission should prioritize issues that will preserve and

[1] CLECA member companies produce goods essential for daily life, including critical infrastructure, oxygen for hospitals, and food distribution. CLECA members represent the steel, cement, industrial and medical gas, beverage, minerals processing, cold storage, and pipeline transportation industries. Their aggregate electric demand is about 500 Megawatts, which is equivalent to the electricity consumption of approximately 470,000 average California households. CLECA members are large, high load factor and high voltage industrial electric customers in California for whom the price of electricity is essential to their competitiveness and for whom the reliability of electricity service is critically important. For both reasons, CLECA member companies have participated for decades in the Base Interruptible Program (BIP), providing reliability demand response to the grid in times of need. (For more information, please go to CLECA.org).

maintain indifference between these customers.[2] This will require a comprehensive, data-driven examination of Power Charge Indifference Adjustment (PCIA) policy and process reforms in Track 3. Such possible reforms include California Community Choice Association's (CalCCA) PCIA 'sunset' concept, and proposals to modify calculation of the Renewables Portfolio Standard (RPS) market price benchmark (MPB).[3]

The Commission will also need to prioritize issues addressing the process and timing interdependencies between this proceeding and the implementation of the Slice of Day framework in the Resource Adequacy (RA) proceeding (R.25-10-003). Because the Slice of Day construct will fundamentally change how RA is valued and trued up, Track 3 policy changes should be coordinated with these structural reforms to ensure consistent results.[4]

Further, while Decision (D.) 25-06-049 consolidated system, local, and flexible RA into a single MPB, the Commission should revisit this bundling concept to ensure it provides accurate and reliable results, rather than merely increase transaction volumes. In addition, now that the methodology has shifted toward a three-year look back for forecasts, and four years for final values, this approach should be maintained to ensure stability and avoid the 'whipsaw' results of frequent policy reversals. High or low MPB results are not necessarily evidence that the current calculation is wrong.

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[2] R.25-02-005, *Order Instituting Rulemaking To Update And Reform Energy Resource Recovery Account And Power Charge Indifference Adjustment Policies And Processes*, Feb. 26, 2025 at 14-15.
[3] *California Large Energy Consumers Association Reply Comments*, R.25-02-005, Apr. 2, 2025 at 3-4.
[4] *Reply Brief Of California Large Energy Consumers Association For The Order Instituting Rulemaking To Update And Reform Energy Resource Recovery Account And Power Charge Indifference Adjustment Policies And Processes*, R.25-02-005, Apr. 30, 2025 at 6-7.

Finally, the Commission should prioritize proposals that increase transparency into the PCIA calculations for community choice aggregator and direct access customer representatives, to ensure the process is verifiable and fair to all stakeholders.

B. There may be data confidentiality and/or data access issues that affect how issues can or should be addressed by the parties. What data confidentiality issues are likely to arise in Track 3? How should the scope and schedule of Track 3 address these issues?

Proposals for complex PCIA methodology reforms will likely require meaningful party access to potentially sensitive, non-public transaction data from multiple load serving entities. Track 3 must address how to provide transparent access to this data while maintaining the protections necessary for commercially sensitive information and any pertinent customer usage data. The scope and schedule should incorporate specific milestones for the development of protective orders or non-disclosure agreements that allow authorized party representatives to verify the accuracy of the calculations without compromising this protected information.

Track 3 should also explore whether additional PCIA-related data can be made public to improve overall transparency without compromising truly commercially or customer-sensitive data. Additional anonymized and aggregated market data could likely be made public after a reasonable time lag without jeopardizing commercial sensitivity.

C. How long do you expect Track 3 will take to complete? What process/timing interdependencies may there be?

The Commission should ensure the Track 3 schedule facilitates a careful, deliberate, "no-regrets" approach to the complex policy questions regarding the PCIA reforms needed to strengthen customer indifference and support rate affordability. This work will likely necessitate a schedule extending at least through mid-2027. Considering the potential for rate shock to

bundled and unbundled customers arising from this proceeding, any resulting changes should be adopted on a prospective basis; consideration should also be given to a phased-in approach with sufficient implementation time to enable customers and market participants to evaluate the impacts and make necessary adjustments to their business practices.

Depending on the breadth of issues scoped for this track, the procedural schedule should allow for the development of a robust record, including a sufficient discovery period, the opportunity to submit expert testimony, and the holding of technical workshops. This approach is necessary to ensure that any proposed modifications are informed by clear and verifiable data, and not simply outcome driven.

In addition, as noted above, there are critical process and timing interdependencies between this proceeding and the implementation of the Slice of Day framework in the RA proceeding. A rushed schedule would impede the Commission's ability to properly align these interrelated efforts, and could lead to errors in the indifference calculation. Therefore, the schedule must be sufficient to allow for a thoughtful and thorough examination of these policy considerations.

II. CONCLUSION

The California Large Energy Consumers Association appreciates the opportunity to provide these comments, and looks forward to active engagement in this Track.

Respectfully submitted,

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CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION

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