**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**<br><br>**(Filed February 20, 2025)** |

# CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION REPLY COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING AUTHORIZING PARTIES TO FILE COMMENTS ON ISSUES TO ADDRESS IN TRACK 3


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April 10, 2026

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

## I. INTRODUCTION

In their Joint Opening Comments, Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company (Joint IOUs) propose to establish a zero floor on negative Power Charge Indifference Adjustment (PCIA) rates.[2] This proposal should be rejected.

[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).

[2] *Joint Opening Comments of Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U 39-E), and San Diego Gas & Electric Company (U 902-E) on the Administrative Law Judge's*

CLECA represents customers taking bundled and unbundled service. As CLECA noted in its Opening Comments, the California Public Utilities Commission (Commission) should prioritize issues that preserve and maintain indifference between bundled and unbundled customers.[3] A proposal to establish a zero floor on negative PCIA rates does not advance this objective; rather, it introduces an asymmetry into the PCIA framework that is inconsistent with the Commission's indifference standard.[4]

## II. REPLY COMMENTS

### A. The Commission Should Reject the Joint IOUs' Proposal to Establish a Zero Floor on Negative PCIA Rates

The Joint IOUs propose that the Commission establish a zero floor on PCIA rates, such that departed load customers would not receive bill credits even when the market value of the PCIA-eligible portfolio exceeds its cost. CLECA opposes this proposal, as the zero floor is inconsistent with the principle of true indifference, and rests on a mischaracterization of how the PCIA operates.

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*Ruling Authorizing Parties to File Comments on Issues to Address in Track 3*, R.25-02-005, March 27, 2026 (Joint IOU Opening Comments) at 4-5.

[3] *California Large Energy Consumers Association Opening Comments on Track 3 Scoping Issues*, R.25-02-005, March 27, 2026 (CLECA Opening Comments).

[4] Pub. Util. Code §§ 365.2, 366.2 (d)(1); D.18-10-019 at 61.

### 1. The Joint IOUs' characterization of negative PCIA rates as an overpayment is incorrect.

The Joint IOUs argue that negative forecasted PCIA rates cause bundled service customers to "pay more than the costs of the Commission-approved PCIA portfolio for forecasted generation costs."[5] This framing mischaracterizes the outcome of negative PCIA rates. A negative PCIA rate simply reflects that the market value of a vintaged PCIA-eligible portfolio that is associated with the same vintage departed load customers exceeds its cost; a result that is entirely consistent with the Commission's indifference framework. The PCIA methodology should not guarantee that portfolio costs will always exceed market value. Rather, it should calculate the difference and pass the resulting rate, whether positive or negative, through to the appropriate customer classes.

### 2. The proposal eliminates the symmetry that true indifference requires.

The Joint IOUs' proposal focuses exclusively on avoiding downside outcomes for bundled customers, while ignoring the corresponding principle that indifference must operate symmetrically. Under the current methodology, when portfolio costs exceed market value, departed load customers pay positive PCIA rates to make bundled customers indifferent to their departure. If departing load customers are required to pay when the portfolio is above market cost, they must also receive the benefit when the inverse is true. A zero floor would eliminate that symmetry, converting the PCIA into a one-directional charge in which departed load customers bear all downside risk, but are denied any upside benefit. The Commission should not adopt such a mechanism.

[5] Joint IOU Opening Comments at 4.

## III. 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

April 10, 2026