

# 2026 Energy Entities Update

Assembly Oversight Hearing

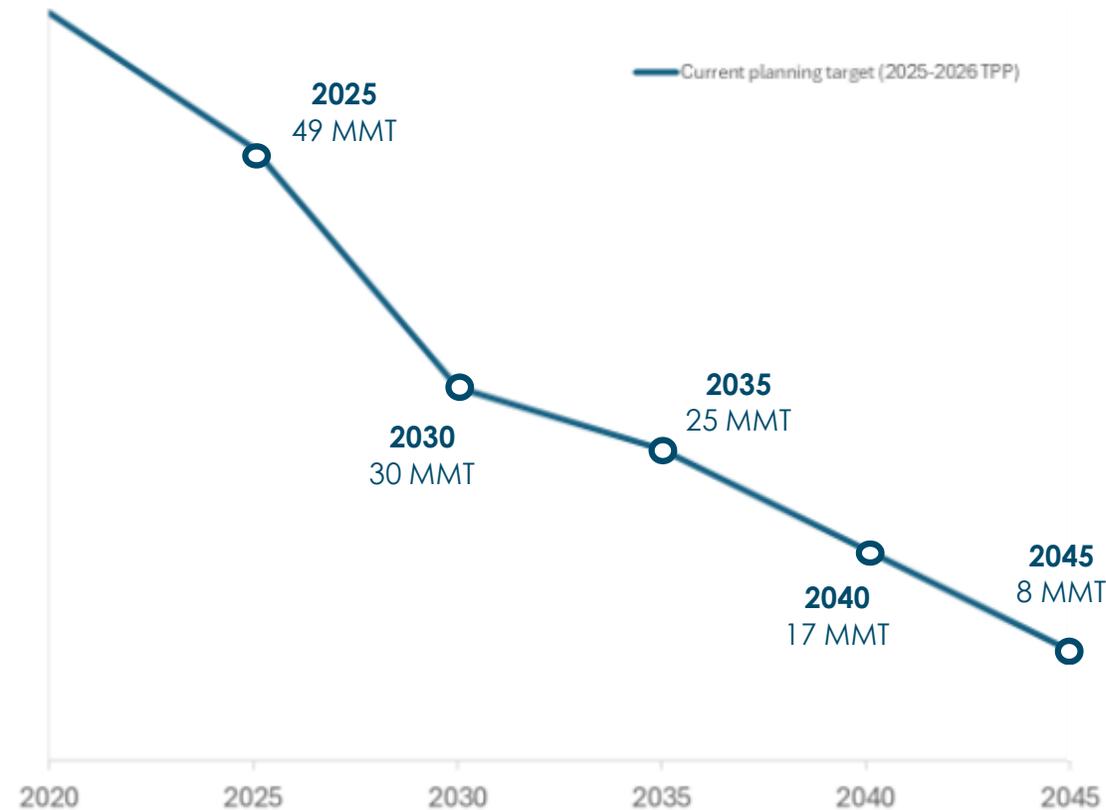
February 25, 2026

*Alice Reynolds, President CPUC*

# CPUC System Planning GHG Targets

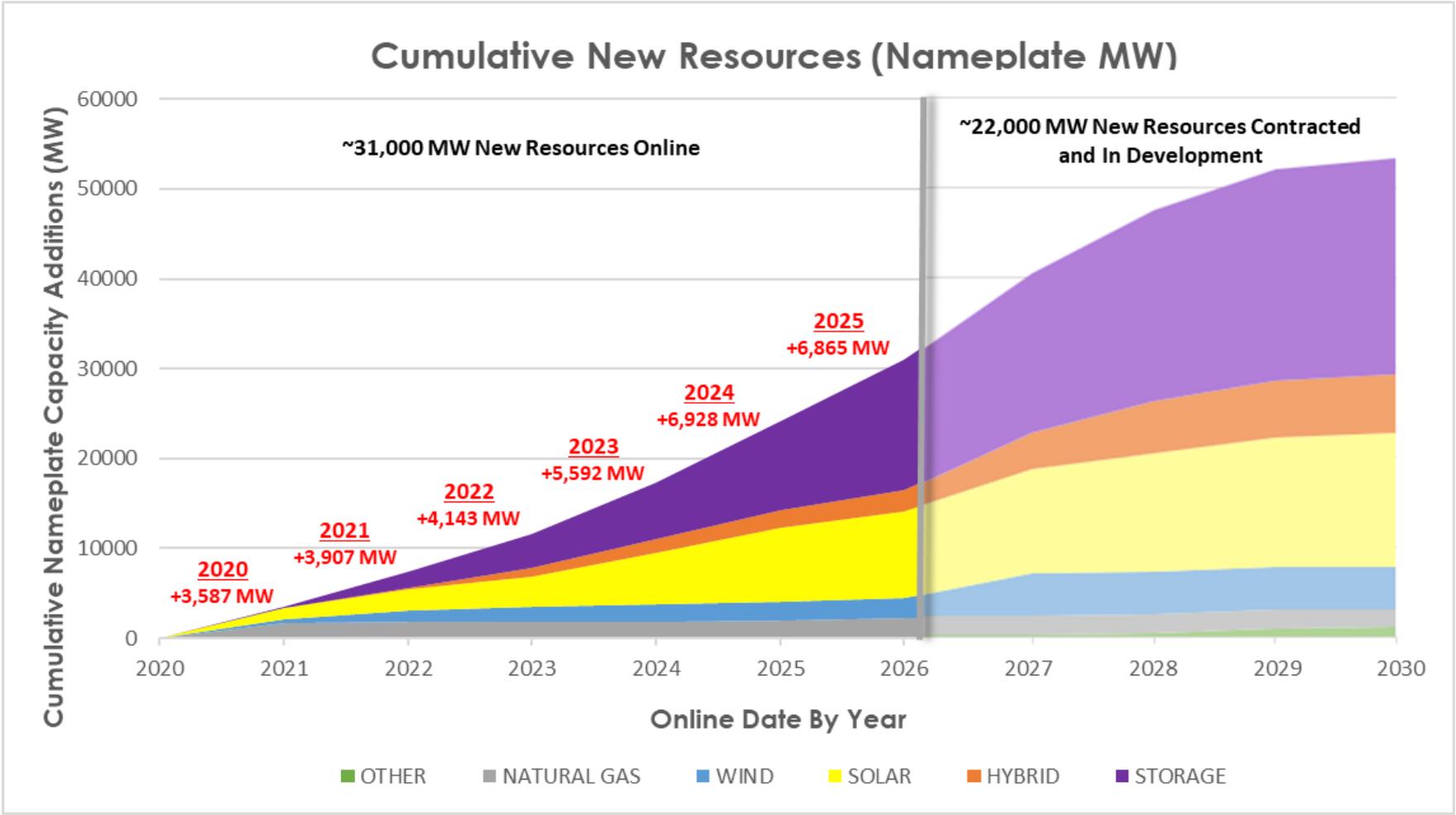
## CA-wide GHG Emissions Planning Target

million metric tons



- The Scoping Plan guides these GHG targets.
- The electric sector's carbon-intensity has declined 45% since 2000.
- Modeling from the last adopted portfolio indicates that by 2040 natural gas usage will decrease by 88% percent as compared to 2020 natural gas usage in the CAISO.

# Total New Energy Resources Online and Under Contract



**Note:** Data shown here shows a snapshot of new resources added to CAISO grid Q12020 – Q1 2026, including specified CAISO imports. Also shown is a projection of future new resources based on contracts in place by January 2026. "Other" resources includes geothermal, biomass, biogas, and hydropower.



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# Assembly Committee on Utilities and Energy

## *Oversight Hearing*

Linda Serizawa, Director  
February 25, 2026



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## Mission

Obtain the lowest possible rates for customers consistent with safe, reliable service, and the state's energy and climate goals.

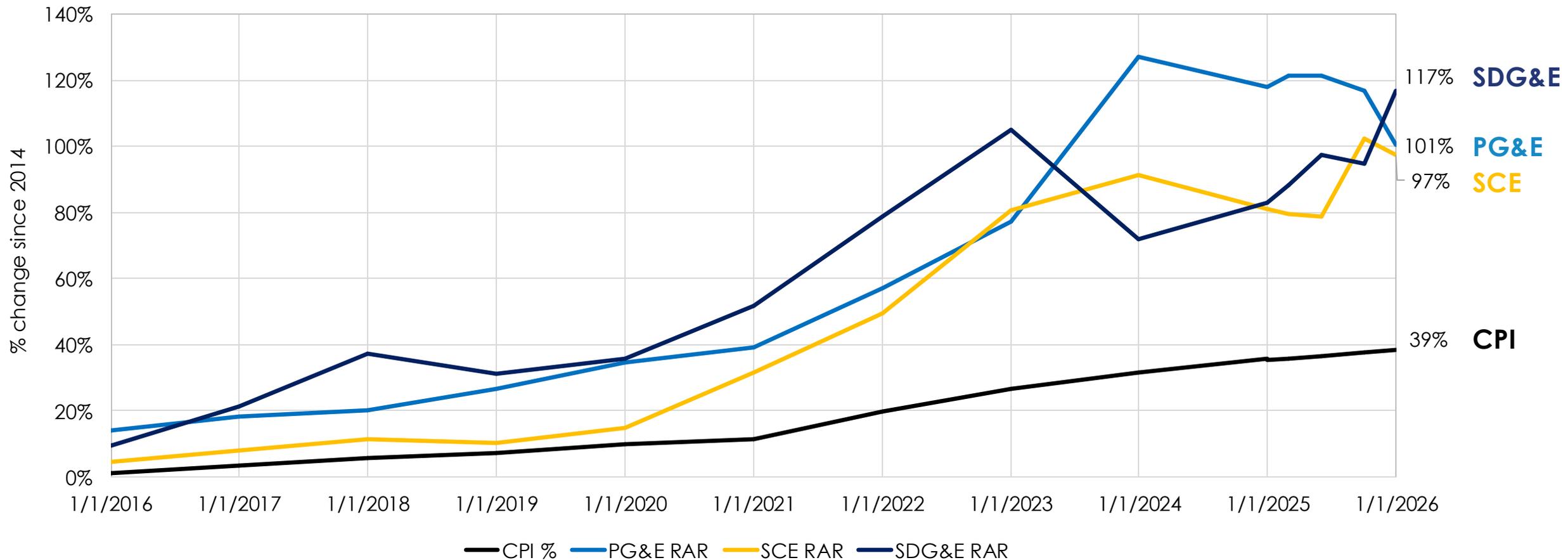
Advocate for customers of investor-owned utilities before the California Public Utilities Commission (CPUC) and in other forums.

Focus on issues affecting customers of electric, gas, water, and telecommunications services.

We are an independent organization at the CPUC.  
(see *Public Utilities Code Sections 309.5 and 305*)



# Rates have increased substantially over the last decade, surpassing inflation



\*Showing latest Bundled Residential Average Rates (RAR) and Consumer Price Index (CPI) for All Urban Consumers (CPI-U) found at <https://data.bls.gov/cgi-bin/dsrv?cu>, as of January 1, 2026.

# Utility Wildfire-Related Costs

	Approved Costs Already in Rates (Bucket #1)	Costs Awaiting Approval (Bucket #2)	Costs Not Yet Requested for Recovery* (Bucket #3)
<b>PG&amp;E</b>	\$6.23 billion	\$5.00 billion	\$1.05 billion
<b>SCE</b>	\$3.05 billion	\$132.99 million	\$919.48 million
<b>SDG&amp;E</b>	\$80.65 million	\$2.17 billion	\$43.31 million
<b>Total</b>	\$9.36 billion	\$7.30 billion	\$2.01 billion

\*Anticipated for future cost recovery from October 2025 for SCE and SDG&E, and February 2026 for PG&E. Include Wildfire Expense Memorandum Accounts (WEMA), Wildfire Mitigation Plan Memorandum Accounts (WMPMA), and Catastrophic Event Memorandum Accounts (CEMA).

"Approved costs" and "costs awaiting approval" include CEMA and WMPMA, in addition to many other miscellaneous accounts requested in the WMCEs.

# Key Questions for Evaluating Ratepayer Impacts

1. What is being addressed or solved by the proposal?
2. Does it reduce rates on a sustained basis for all ratepayers?
3. Does it require ratepayer funding that is commensurate with quantifiable ratepayer benefits?
  - If yes, when will those benefits be realized? In the near-term? Over many years? In later years?
4. How are risks addressed?
  - Are there safeguard if assumptions prove wrong?
  - Are there off-ramps if programs don't perform as intended?

# Four Policy Levers to Stem Rate Increases and/or Reduce Rates

- 1 REDUCE UTILITY OPERATING EXPENSES (O&M)**
- 2 LOWER CAPITAL COSTS**
- 3 PHASE OUT PROGRAMS FROM RATES THAT ARE NOT COST EFFECTIVE**
- 4 REVISE SUBSIDIES AND RATE STRUCTURES**





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Contact Us

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**Visit our website at [www.publicadvocates.cpuc.ca.gov](http://www.publicadvocates.cpuc.ca.gov)**



California ISO

# Assembly Bill 825 2026 Report to the Legislature

Joe Eto

Chair, California ISO Board of Directors

Elliot Mainzer

CEO, California ISO

February 25, 2026

# California ISO

What we do:

- Manage the flow of electricity for over 80% of California
- Oversee the transmission planning and generation interconnection processes
- Operate the wholesale electricity markets across the West



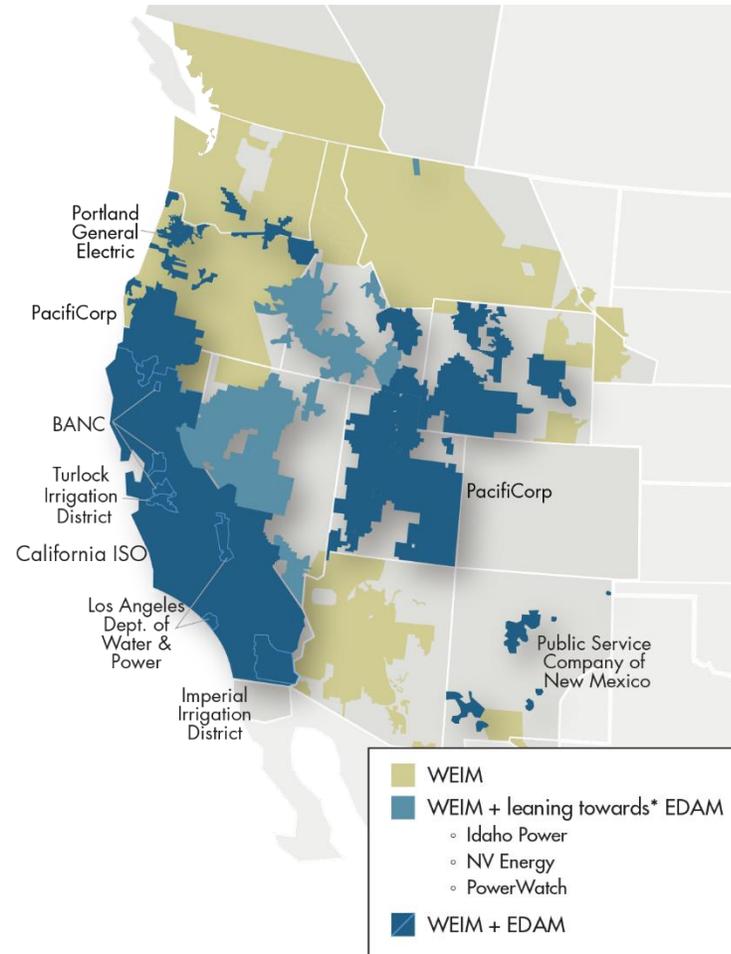
## AB 825: The “Pathways Bill”

- AB 825 enables further expansion and use of voluntary wholesale energy markets throughout the West
  - Enables the ISO to partner with an independent regional organization to govern these markets for the benefit of ratepayers
  - Establishes specific requirements that this regional organization must meet before the ISO and California’s investor-owned electric utilities may transition to the new governance structure
  - Requires the ISO to annually report on key activities to the Governor and Legislature

# 2026 AB 825 Report

ISO Activities	2025 Implementation
Changes to federal tariffs	40+ filings submitted to FERC. FERC approved key elements of EDAM design.
Policy initiatives and recurring processes	Enhanced stakeholder processes to enable greater participation in market design discussions.
Assessment of market activity	WEIM electricity prices decreased last year compared to 2024
Actions taken by the ISO Board	25 actions approved by the board, including 2024-2025 Transmission Plan
Actions taken within the transmission planning process	Recommended 31 transmission upgrades with a total investment of \$4.8 billion

# Looking ahead: EDAM launch



*\*These entities have publicly indicated a leaning towards EDAM as their preferred day-ahead market.*

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**Office of Energy Infrastructure Safety**

***Caroline Thomas Jacobs, Director***

# Sunrise From the West



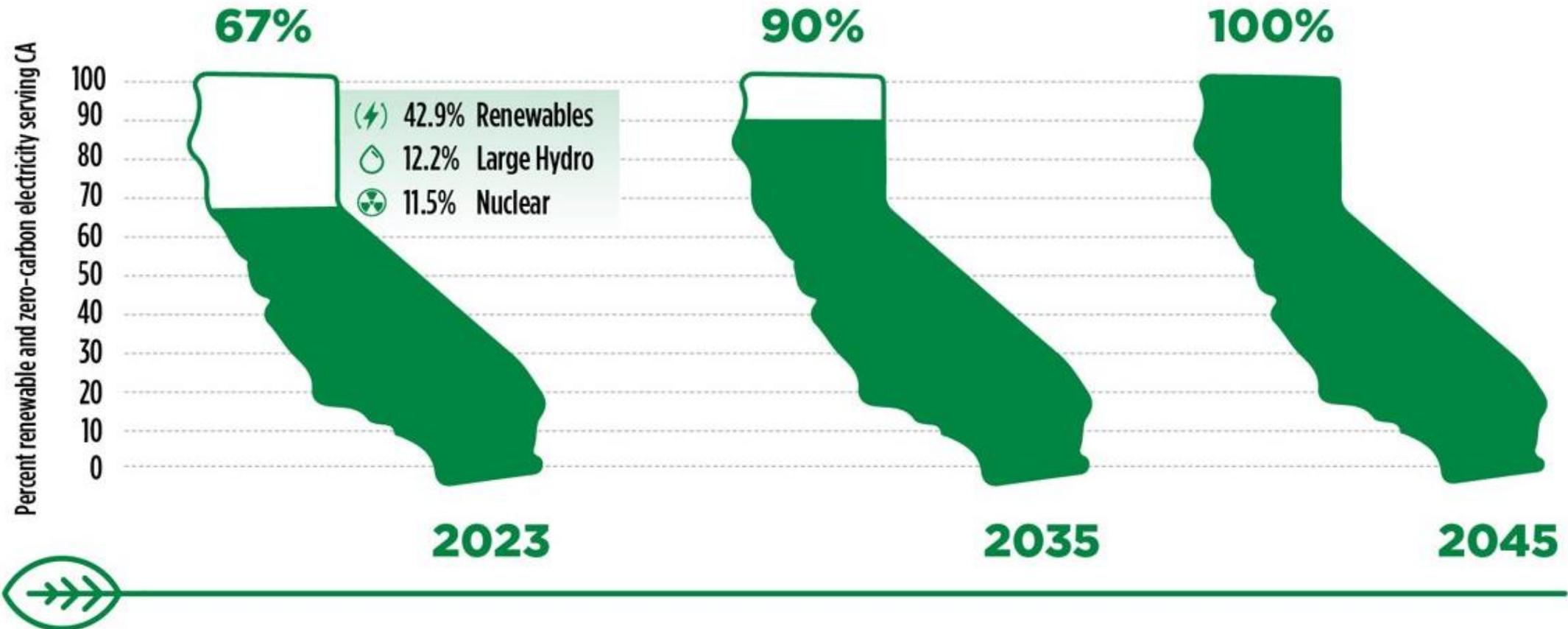
David Hochschild  
Chair  
California Energy Commission

# California On Track To Achieve 100% Electricity

With 67% of State's Electricity Already Coming from Zero-Carbon Resources

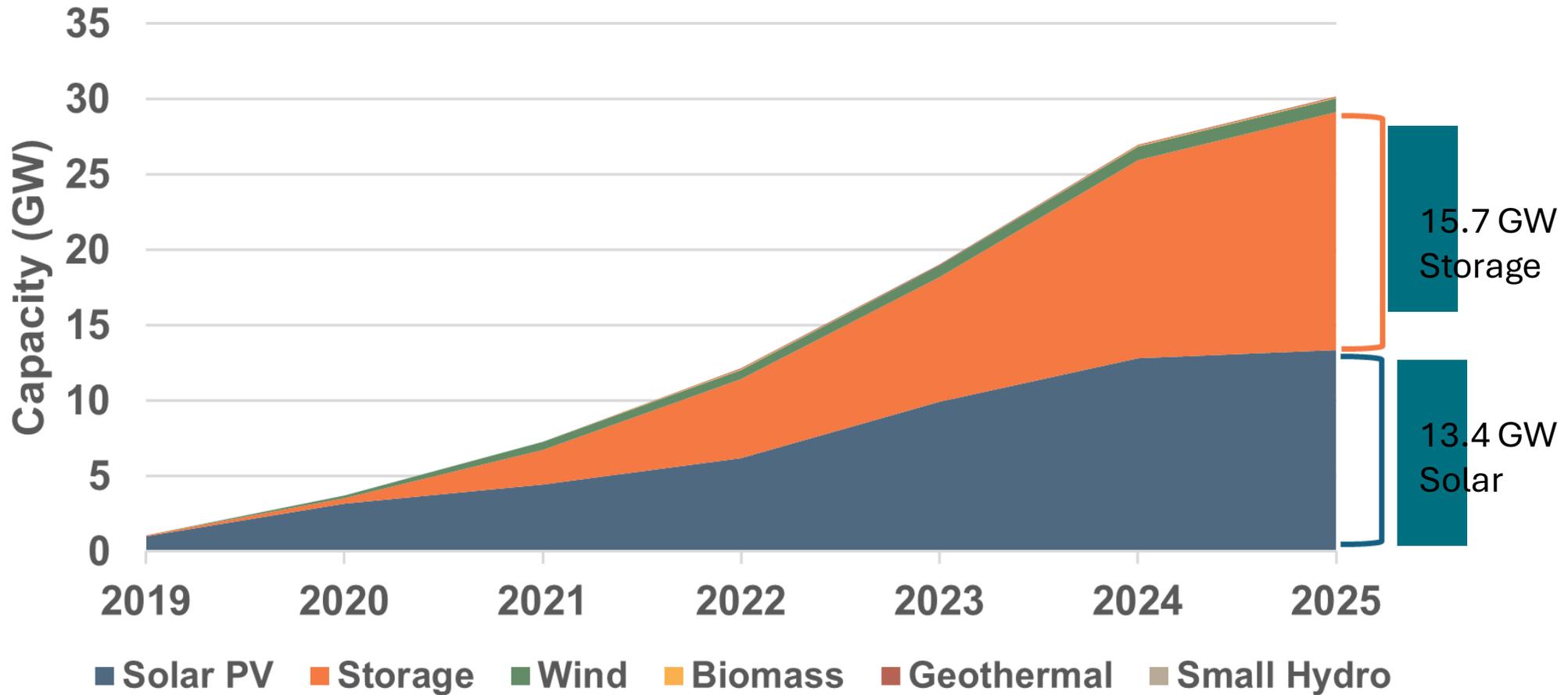


Percent renewable and zero-carbon electricity serving CA



# Newsom Administration Energy Progress

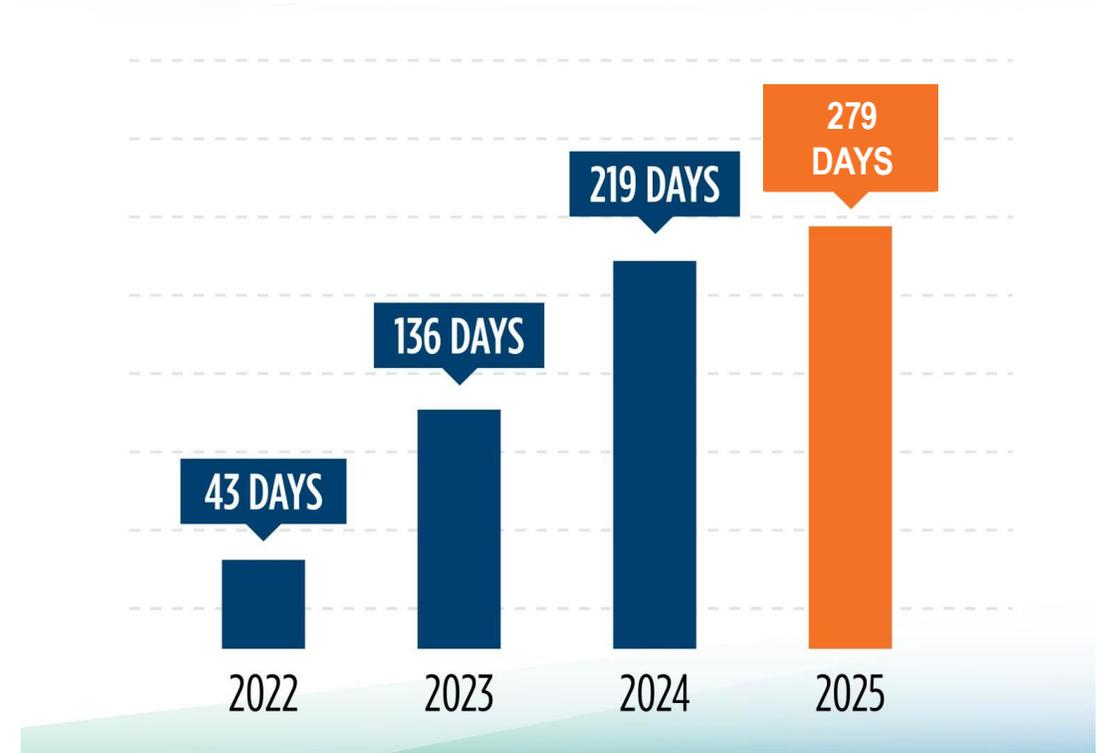
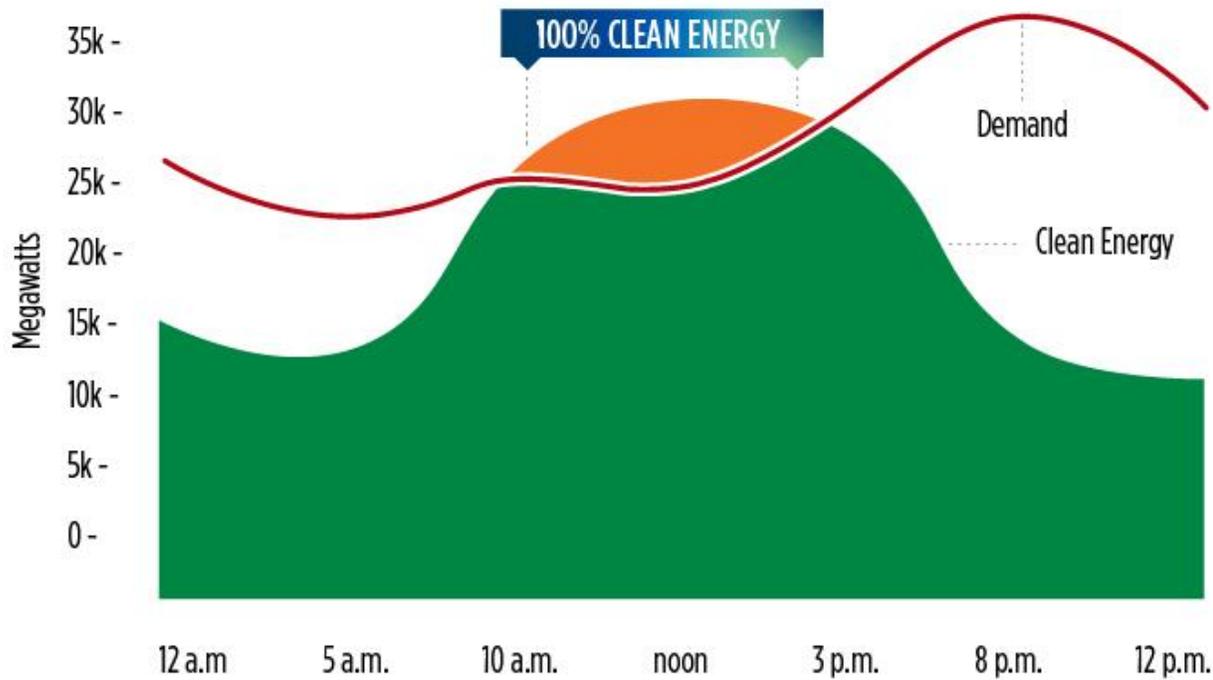
Added 30.2 GW of New, Clean Capacity in CA Since 2019





# Our Progress Towards 100% Clean Energy

State Hitting 100% Clean Energy on Most Days Each Year

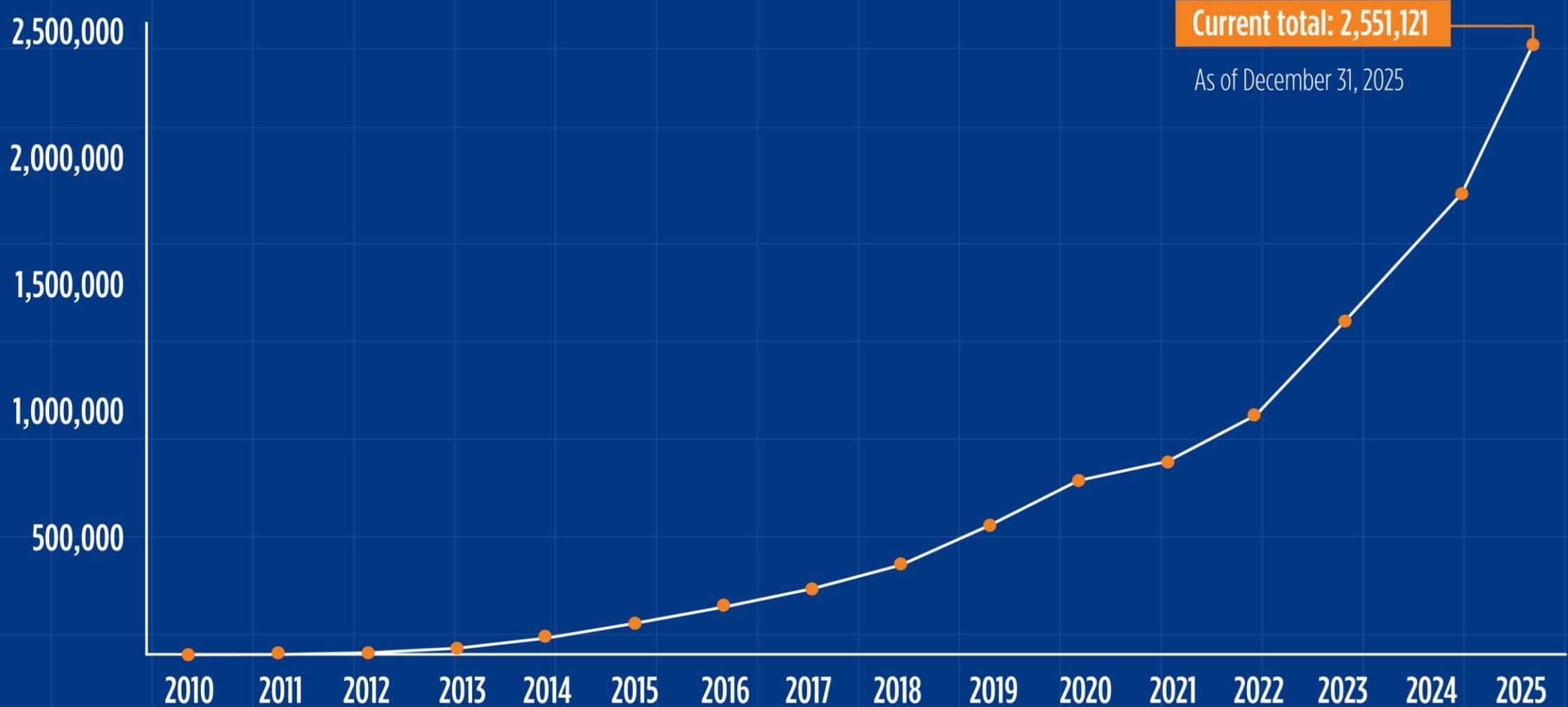


Note: Only includes CAISO territory

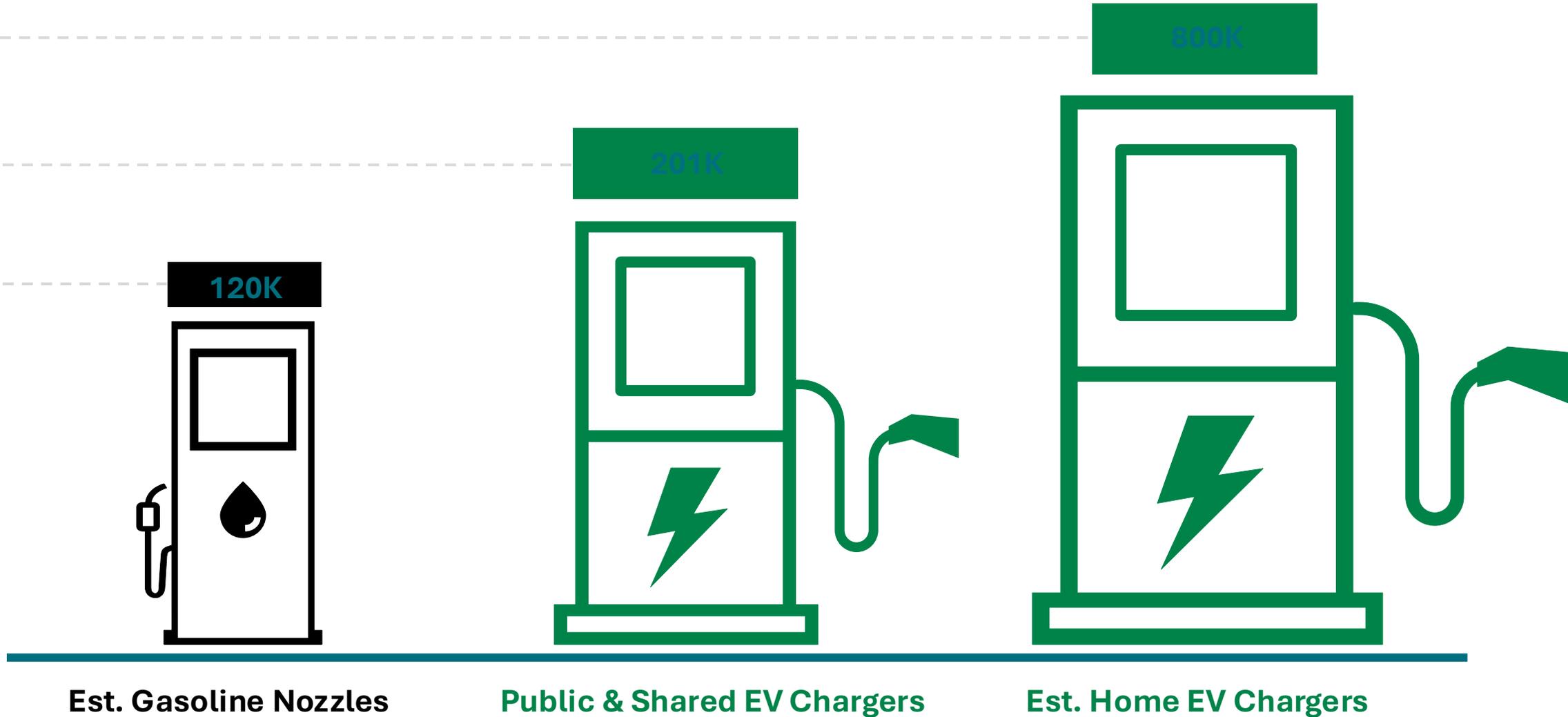
Source: CAISO

# CA Surpasses 2.5 million ZEV Sales in 2025

Cumulative New ZEV Sales Have Increased 300% Under Newsom Administration



# CA Now Has More EV Chargers Than Gas Nozzles



Source: CEC

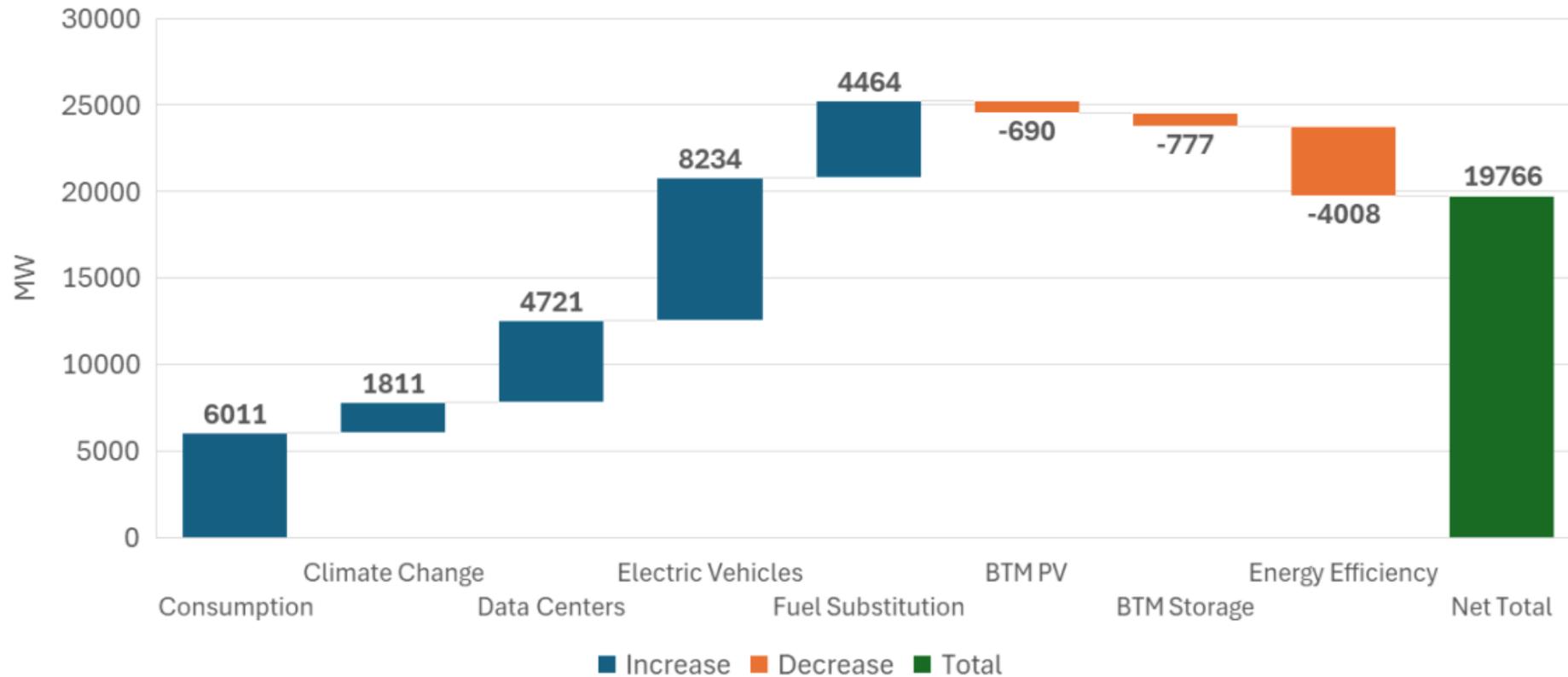
Note: Not to scale. Estimate is conservative, as EV chargers often have more than one charging cable.

# State Forecasting Significant Load Growth

## EVs and Data Centers Both Meaningful Drivers of Growth



CAISO Load Growth From 2025 to 2045 (September Peak Day, 6-7pm PDT)

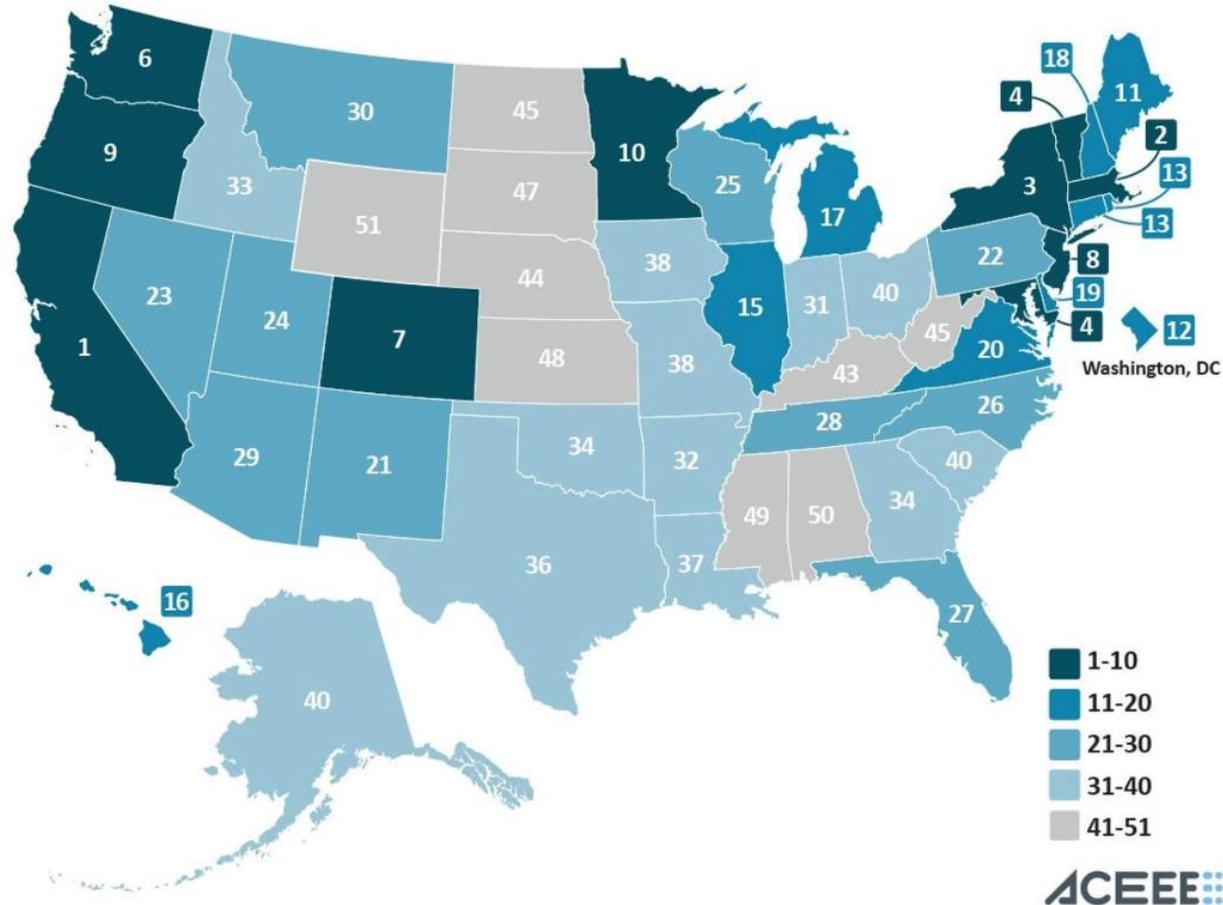


# California Ranked #1 in Energy Efficiency

Key Affordability Tool for California Households

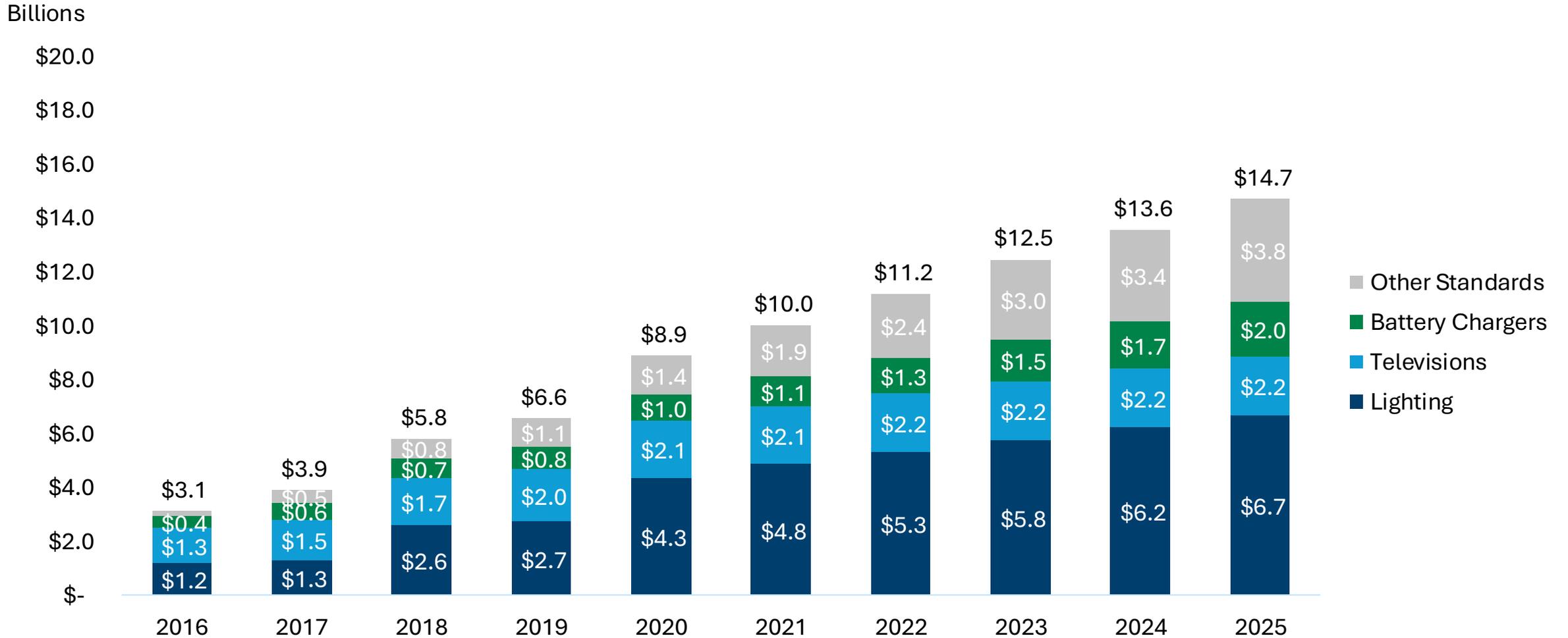


The 2025 State Energy Efficiency Scorecard



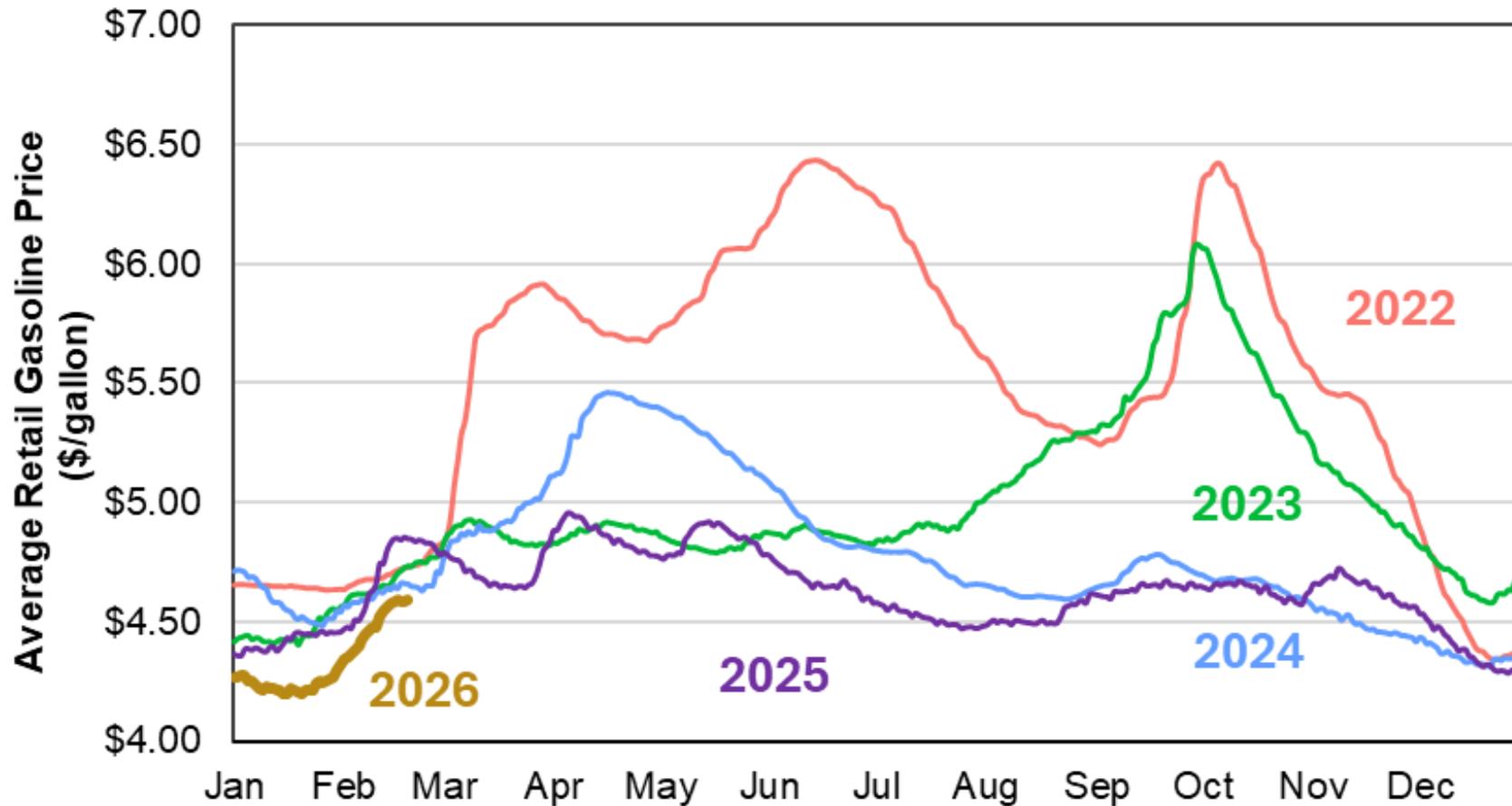
# Appliance Standards Driving Affordability

## \$14.7B Saved for CA Households and Businesses in 2025



# Protecting Drivers from Gasoline Price Spikes

Drivers Paid Significantly Less for Gasoline in 2024 and 2025





# Thank you!

For follow-up questions, please contact:

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916-664-1754