

Date of Hearing: March 18, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 1761 (Rogers) – As Introduced February 9, 2026

SUBJECT: Electricity: calculation methodology: data disclosure

SUMMARY: Requires the California Public Utilities Commission (CPUC), CPUC staff, electrical corporations, and other entities, to disclose to load-serving entities and ratepayer advocates data relied on in any decision, ruling, proposal, or analysis concerning a calculation methodology for any charge imposed on customers of load-serving entities to recover the costs of contracts or resources owned by an electrical corporation or any value derived from that calculation. Additionally, this bill specifies that the data described above must:

- 1) Be publicly disclosed, except market-sensitive data, which shall be disclosed to a nonmarket participant reviewing representative under a CPUC-approved nondisclosure agreement.
- 2) Be made available to load-serving entities and ratepayer advocates concurrently with any proposal, analysis, or adopted outcome by any party or CPUC staff, which may be satisfied through mutually agreed data-sharing practices established at the outset of a proceeding.
- 3) Be provided in native file format.

EXISTING LAW:

- 1) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical corporations. (California Constitution Article XII, §1-6)
- 2) Authorizes the CPUC to fix rates and charges for public utilities and requires those rates and charges to be just and reasonable. (Public Utilities Code § 451)
- 3) Requires that the bundled retail customers of an electrical corporation not experience any cost increase as a result of retail customers electing service from another provider or from implementation of a community choice aggregator (CCA) program. Requires the CPUC to ensure that the departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load. (Public Utilities Code § 365.2 and 366.3)
- 4) Authorizes a CCA to aggregate the electrical load of interested electricity customers within its boundaries and requires a CCA to file an implementation plan with the CPUC in order for the CPUC to determine a cost-recovery mechanism to be imposed on the CCA to prevent a shifting of costs to an electrical corporation's bundled customers. (Public Utilities Code § 366.2)
- 5) Requires each electrical corporation to file a proposed long-term electricity procurement plan with the CPUC, and the CPUC is required to review and accept, modify, or reject

that plan. The plan must include, among other things, an assessment of the price risk associated with the electrical corporation's portfolio, the criteria by which proposed procurement transactions will be evaluated for cost recovery eligibility, and mechanisms for recovery of procurement costs in rates. Contracts entered into pursuant to a CPUC-approved procurement plan are generally eligible for recovery in rates. (Public Utilities Code § 454.5)

- 6) Requires the CPUC to adopt procedures to ensure the confidentiality of market-sensitive information submitted by an electrical corporation in connection with its proposed or approved procurement plan, including power purchase agreements, data request responses, and consultant reports. Also requires that the Public Advocate's Office and other consumer groups that are nonmarket participants be provided with access to that confidential information under CPUC-authorized confidentiality procedures. (Public Utilities Code § 454.5(g))

FISCAL EFFECT: Unknown. This bill is keyed fiscal, and will be referred to the Assembly Committee on Appropriations for its review.

BACKGROUND:

Electric utilities – California is served by two main types of electric utilities, investor-owned utilities (IOUs) and publicly-owned utilities (POUs).

- IOUs: privately-owned electrical corporations, such as Southern California Edison (SCE), that provide monopoly services in defined geographic territories. Customers of IOUs who receive both energy procurement and distribution services from the utility are considered “bundled customers.” IOUs are rate-regulated by the CPUC to ensure they provide service at a just and reasonable rate. IOUs also have an obligation to serve all customers in their service territory and act as providers of last resort.
- POU: publicly-owned utilities, such as the Los Angeles Department of Water and Power (LADWP), are governed by a local governing board (ex. a city council or other elected body). Similar to IOUs, POU provide monopoly services in distinct, defined geographic areas. However, unlike IOU customers, POU customers cannot receive energy procurement services from an entity that is not the POU.

Load-serving entities (LSEs) – Several other types of entities, referred to in statute as LSEs, procure electric generation resources and services on behalf of customers within the service territory of an IOU. In addition to electric IOUs, California's LSEs include:

- Electric Service Providers (ESPs): procure electricity to end-use customers who choose the services of the ESP instead of the incumbent electric IOU. ESPs use the transmission and distribution infrastructure of the incumbent IOU to deliver electricity to customers. Customers of ESPs are considered direct access (DA) customers. DA customers are often large commercial or institutional customers, such as college or medical campuses, with dedicated staff to manage the entity's electricity. Statute directs the CPUC to establish a maximum load cap in each electric IOU's service territory to limit DA customers. With few exceptions, the number of DA customers has remained stable since the program was

capped. The cap was imposed after several ESPs went out of business and their customers were defaulted back to the incumbent IOU during the California energy crisis in the early 2000s.

- **Community Choice Aggregators (CCAs):** local government entities, such as Sonoma Clean Power, through which local governments choose to procure or generate electricity on behalf of residents within their jurisdiction while using the incumbent electric IOU's transmission and distribution infrastructure and billing services. An individual customer within the territory of a CCA is automatically opted-in to have energy procured from the CCA, based on the implementation schedule, when the customer's local government elects to join or establish the CCA. However, the customer retains the option to return to the procurement service of the incumbent electric IOU. Notwithstanding CCA outreach efforts, customers may be unaware they have been enrolled in a CCA, as the IOU continues to issue a single utility bill covering both energy procurement and transmission and distribution services. However, close inspection of the bill would show a line item identifying the CCA as the customer's energy procurement provider.

Departing Load – The CPUC has regulated electric IOUs for over a century. However, the CPUC's experience regulating CCAs is comparatively limited. In 2002, AB 117 (Migden, Chapter 838, Statutes of 2002) first allowed the formation of CCAs. It was not until nearly a decade later that the first CCA, Marin Clean Energy, came into existence. Today, there are 25 operational CCA programs operating in the state with more than 15 million customers (per estimates from the California Community Choice Association (CalCCA)).

Power Charge Indifference Adjustment (PCIA) – When customers migrate away from the procurement services of the incumbent electric IOU as either a DA or CCA customer, statute requires the CPUC to ensure that customers leaving the utility do not burden remaining utility customers with costs that were incurred to serve the departing customers. Statute also requires the CPUC to ensure that departing load customers do not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load. CCA and DA customers pay an exit fee, the PCIA, representing their share of costs previously incurred on their behalf, thereby ensuring remaining customers are not affected by their departure. The PCIA is the mechanism to ensure that the customers who remain with the utility do not end up taking on the long-term financial obligations the utility incurred on behalf of now-departed customers. Such obligations include capital expenditures to build power plants and, more commonly, long-term power purchase agreements with independent power producers. These departing load customers may represent a significant fraction of the customers within the electric IOU service territory. Without the PCIA, bundled customers would be required to absorb financial obligations that were incurred in anticipation of serving customers who have since departed to a CCA or ESP.

Calculating the PCIA – The PCIA is calculated as the difference between the IOU's "actual portfolio cost," the costs associated with the utility's energy procurement, and the "market value" of that portfolio. Market value is determined using a CPUC-approved methodology, known as the Market Price Benchmark (MPB), which estimates the per-unit value of three principal components of IOU portfolios: resource adequacy (RA), energy index, and renewable portfolio standard (RPS). When the IOU's actual portfolio cost exceeds market value, departing

load customers pay their proportionate share of the difference based on power consumption. When the calculation yields a negative value, departing load customers receive a credit against future obligations.

The PCIA rate is set through two annual CPUC proceedings. The CPUC calculates and publishes MPB values annually in October. Those values feed into each IOU’s Energy Resource Recovery Account (ERRA) forecast application, a formal ratemaking proceeding in which IOUs file applications and supporting testimony and parties, including CCAs, ESPs and, ratepayer advocates, may intervene, submit testimony, and comment on proposed decisions. The ERRA proceeding also implements an annual true-up comparing forecasted costs against actual realized costs, with any over- or under-collection carried forward through the Portfolio Allocation Balancing Account (PABA) and ERRA balancing accounts. Because the PCIA is calculated based on when a customer left IOU bundled service, each customer pays a rate corresponding to the “vintage year” of their departure.

Figure 1. Calculation of PCIA

PCIA Eligible Portfolio Cost minus	Portfolio’s Market Value equals	Power Charge Indifference Amount (PCIA) Revenue Requirement
Contracted or Built Resources that represent procurement commitments prior to load departure	Calculation using Market Price Benchmark based on Commission adopted methodology looking at recent market transactions	A bill credit or bill charge to departed load based on the vintage (year) of departure

Source: CPUC website, <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/power-charge-indifference-adjustment>.

COMMENTS:

- 1) *Author’s Statement.* According to the author, “Electricity bills in California are on the rise, in part due to challenging market conditions and outdated and inefficient regulatory policies. Families and businesses are feeling the impact. Lawmakers and regulators need practical, consumer-focused solutions that ensure customers do not pay more than their fair share. One tool to ensure customers receive energy bills that are fair and accurate is increased transparency in how Power Charge Indifference Account (PCIA) charges are calculated. The PCIA is a fee designed to ensure customers who leave utility generation service, like customers of a Community Choice Aggregator (CCA) or Energy Service Provider (ESP), pay their portion of legacy power costs. But since the PCIA was implemented, there has been no consistent standard for what data must be made available in any CPUC process or proceeding where the PCIA is set – so, while customers are being asked to pay this charge, they have no ability to fact check it. Everyone makes mistakes, including investor-owned utilities (IOUs) and the California Public Utilities Commission (CPUC). This is why transparency is crucial in the quest to reduce ratepayer costs. CCAs, ESPs and ratepayer advocates should have the data required to independently verify the charges impacting customers. Enabling transparency and

ensuring the work is not done in a “black box” will provide the essential checks and balances to ensure that costs to all ratepayers are fair and accurate.”

- 2) *Purpose of Bill.* AB 1761 would require the CPUC to ensure that all data relied on in any decision, ruling, proposal, or analysis used to determine or apply charges imposed on customers of LSEs to recover the costs of contracts or resources owned by an IOU is made available to LSEs and ratepayer advocates. The bill would require such data to be publicly disclosed, except for market-sensitive data, which would be disclosed to a nonmarket participant reviewing representative under a CPUC-approved nondisclosure agreement. The bill would also require that this data be made available concurrently with any proposal or analysis from an IOU, CPUC staff, or any other party, concurrently with any CPUC-adopted outcome, and provided in native file format.
- 3) *Current process for obtaining data in connection with ERRA forecast proceedings.* The IOUs’ annual ERRA forecast applications are public filings, and public versions of accompanying testimony and workpapers are simultaneously served on all parties to the proceeding. These public filings represent only a portion of the data underlying the calculation. The confidentiality framework governing electric procurement data is established by Public Utilities Code Section 454.5(g) and CPUC decisions, including D.06-06-066, D.06-12-030, D.07-05-032, D.08-04-023, and D.22-01-023. Contrary to the purely request-driven process that previously governed access, D.22-01-023 streamlined and made proactive the IOU obligation to share confidential data. Under that framework, as affirmed in D.22-07-008, each IOU is required to provide all confidential information from the ERRA Master Data Request response to all reviewing representatives that have signed a nondisclosure agreement within 5 business days after each of the IOU’s monthly ERRA reports are submitted to the CPUC.
- 4) *Current process for obtaining data in connection with Market Price Benchmarks (MPBs).* The CPUC publishes the final MPB values annually. The annual MPB calculation documents describe the methodology and the resulting benchmark figures and explain how the CPUC used the underlying data to arrive at them. These are public documents and are available on the CPUC’s website. For CPUC-held data not disclosed through the ERRA forecast proceeding framework (described above), parties can pursue access through Public Records Act requests to the CPUC.
- 5) *How does this bill differ from the existing data disclosure process?*
 - a. *Scope:* The existing process is narrow in scope and applies specifically to ERRA Master Data Request information used for PCIA forecasting purposes, and only during the pendency of an ERRA forecast proceeding (with D.22-07-008 extending access for PCIA forecasting purposes outside of a pending proceeding under specific conditions). The bill is potentially broader in that it covers all data relied upon in connection with any charge imposed on CCA or LSE customers to recover IOU contract or resource costs. While the existing framework established through SB 1488 (Bowen, Chapter 690, Statutes of 2004) and subsequent CPUC decisions represents a meaningful step toward transparency, it ties data access to party status in a pending proceeding, whereas this bill would broaden access to LSEs and ratepayer advocates concurrent with any proposal, analysis, or CPUC-

adopted outcome, and does not require active party status as a condition of access, though some disclosure obligations under the bill are still framed in the context of a proceeding.

- b. **Timing of Disclosure:** Under the existing framework, confidential data must be provided within 5 business days after each monthly ERRA report is submitted to the CPUC. The bill requires data to be made available concurrently with any proposal, analysis, or CPUC-adopted outcome.
 - c. **Disclosure Requirements for the CPUC and its staff:** Unlike the existing Public Records Act process, which is reactive, request-driven, and subject to the CPUC's discretion to withhold market-sensitive procurement data under the Section 454.5(g) confidentiality framework, this bill would create a proactive disclosure obligation on the CPUC without requiring any request or exemption determination. The bill would not amend the Public Records Act or disturb the Section 454.5(g) framework but would instead add an independent statutory mandate to the Public Utilities Code. To the extent concerns exist about market-sensitive data reaching nonmarket participants, the bill's requirement that such data be disclosed only under CPUC-approved nondisclosure agreements is a mechanism that could preserve the protections of the existing confidentiality framework.
- 6) *Arguments in Support.* CalCCA states that, “[S]ince the PCIA was implemented, there has been no consistent standard for what data must be made available in any California Public Utilities Commission (CPUC) process or proceeding where the PCIA, or a related charge, is set. Without adequate transparency, CCAs and ESPs are unable to verify the accuracy of the PCIA charges that their customers must pay and cannot confidently forecast rates – both of which are affordability tools needed to protect customers from unexpected rate increases. Additionally, the lack of consistent data creates costly disputes and inefficiencies in CPUC proceedings...Disclosures vary by utility and by CPUC proceeding, resulting in repeated fights between CCAs and the Investor-Owned Utilities (IOUs) over data access and increased administrative inefficiencies as the CPUC resolves disputes on a case-by-case basis...Greater transparency allows CCAs and ESPs to better advocate for their customers and assess proposals to change the PCIA. It can also inform cost forecasts and shield customers from sudden rate swings. It reduces repeated fights over information, improves regulatory efficiency, and encourages utilities to verify calculations since the underlying data would be open to review.”
- 7) *Arguments in Opposition.* San Diego Gas and Electric Company states that, “[T]he bill's extraordinarily broad language requiring disclosure of ‘all data relied on in any decision or ruling’ extends far beyond PCIA disputes to encompass virtually all aspects of utility ratemaking, resource planning, and procurement. ‘All data’ could be interpreted to include detailed contract terms, pricing strategies, dispatch operations, proprietary modeling methodologies, and resource valuations...AB 1761 conflicts with Section 583 of the Public Utilities Code, which establishes that information furnished to the CPUC by utilities ‘shall not be open to public inspection or made public except on order of the commission.’...AB 1761 creates a compliance conundrum for IOUs: comply with its

disclosure mandate and violate existing privacy protections statutes or maintain customer privacy and face penalties for non-compliance with AB 1761...IOUs would face comprehensive disclosure obligations while LSEs, including Community Choice Aggregators (CCAs) and Electric Service Providers (ESPs), would be subject to no equivalent requirements...AB 1761 tilts the field dramatically against IOUs by subsidizing competitor success through forced intelligence sharing while imposing no reciprocal obligations...Compliance with AB 1761 would require SDG&E to build new information technology infrastructure to manage concurrent disclosure of massive datasets...These costs would ultimately be paid by IOU customers through higher rates...SDG&E and other IOUs could face liability, arbitration, and early termination costs, which would ultimately be borne by customers through increased rates.”

- 8) *Clarity on scope of disclosure requirements.* As described by the author, the purpose of this bill is to provide more transparency and accuracy in PCIA calculations. As introduced, the bill’s relationship to the existing statutory framework governing the PCIA is imprecise because the scope of covered calculations is defined by descriptive language that may not map cleanly onto the intended statutory provisions governing the PCIA. The Committee recommends adding a definition to clarify the descriptive phrase “any charge imposed on customers of a load-serving entity” as including “any charge determined or applied pursuant to subdivisions (f), (g), or (h) of Section 366.2, and any other charge authorized by the commission to recover the costs of contracts or resources procured for the benefit of bundled customers, regardless of whether such charge is expressly enumerated in those subdivisions” to more appropriately target the stated purpose of the author with language in the legislation.
- 9) *Delineating the CPUC’s obligations from those of electrical corporations and other parties.* As introduced, subdivision (a) of the bill conflates two distinct obligations, one running to the CPUC’s own process and outputs, and one running to electrical corporations and other party submissions, in a single provision. Separating them would clarify who bears which obligation, reduce ambiguity about the CPUC’s enforcement role with respect to electrical corporation and other party submissions, and make the bill easier to implement and administer. The Committee recommends dividing subdivision (a) into two subdivisions: a revised (a) governing what the CPUC must ensure with respect to data underlying its own decisions, rulings, and staff analyses; and a new (b) governing the parallel disclosure obligation of electrical corporations and other parties submitting proposals or analyses in covered proceedings.
- 10) *Clarifying that disclosure failures do not independently invalidate CPUC action.* Without a savings clause, the bill as introduced creates a risk that parties could seek to invalidate or stay PCIA rate changes, or other CPUC action, on the grounds that a disclosure obligation was not fully or perfectly met. This could introduce substantial litigation risk and potentially delay rate proceedings, undermining the CPUC’s ability to set PCIA rates on a timely annual basis. However, it is also important to preserve the possibility that evidence of a disclosure failure or the identification of errors, omissions, or inaccuracies in disclosed data could be relevant as part of a broader challenge. Indeed, according to

CalCCA, there have been proceedings where errors were identified that would have resulted in incorrect charges to CCA customers.¹ To strike a balance between these concerns, the Committee recommends adding a new section providing that a good faith failure to comply with the new disclosure obligations, or the identification of errors, omissions, or inaccuracies in disclosed data, shall not, by itself, invalidate, impair, stay, or otherwise affect the validity of any calculation methodology, charge, decision, or ruling adopted by the CPUC, unless the error, omission, or inaccuracy constitutes one or more of the grounds specified in Section 1757 or 1757.1.

- 11) *Clarifying standard for triggering disclosure obligation.* “Relied on in” could invite litigation over whether specific data was actually relied upon in reaching a particular decision, ruling, or proposal, a fact-specific inquiry that would be difficult to administer and easy to dispute. “Serving as a basis for” is a more objective standard that captures the universe of data inputs without requiring a retroactive determination of reliance. This change would better serve the bill’s purpose of ensuring that the data underlying PCIA calculations is available for verification by CCAs, ESPs, and ratepayer advocates. The Committee recommends replacing “relied on in” with “serving as a basis for” in the bill.
- 12) *Clarifying the use of the term “outcome.”* “Outcome” has no established meaning in CPUC practice or the Public Utilities Code. “Decision” and “ruling” are the terms of art used throughout the Code and CPUC rules of practice and procedure to describe formal CPUC action. Using established terms of art eliminates interpretive ambiguity about what category of CPUC action triggers the disclosure requirements and mirrors the bill’s earlier phrasing in subdivision (a). The Committee recommends replacing “commission adopted outcome” in subdivision (c)(2) with “commission adopted decision or ruling.”
- 13) *Prior Legislation.*

SB 612 (Portantino, 2022), as introduced would have directed the CPUC to ensure that CCA and DA customers have access to the benefits of IOU legacy resources for which they pay through the PCIA, and to actively manage those resources to minimize above-market costs; the bill was subsequently amended to address an unrelated subject. Status: *Died* – Assembly Committee on Education. AB 2689 (Kalra, 2020) would have required that the CPUC’s procedures related to confidentiality of market sensitive information submitted in or related to an electrical corporation’s proposed procurement plan to include that information that is reasonably necessary to verify the cost proposed to be recovered in rates is available to a person participating in the proceeding, including load-serving entities. Status: *Died* – Assembly Committee on Utilities and Energy.

SB 520 (Hertzberg) provided that the electric IOU is the provider of last resort (POLR), as defined, in its electric utility service territory unless provided otherwise in a service territory boundary agreement approved by the CPUC or unless the CPUC designates an LSE, as defined, for all or a portion of that service territory. The bill establishes specified

¹ California Community Choice Association. “AB 1761: Improving Bill Transparency.” Accessed March 4, 2026. <https://cal-cca.org/ab-1761/>.

requirements for the process of designating and the qualifications required of the POLR. Status: Chapter 408, Statutes of 2019.

SB 237 (Hertzberg) directed the CPUC to make changes to the existing DA service program, which authorizes direct energy transactions between electricity suppliers and retail end-use customers. Among the proposed changes is a requirement to increase the annual maximum allowable limit of the DA service program by 4,000 GWh for non-residential customers. The bill also directs the CPUC to provide recommendations to the Legislature, with specified findings, on the adoption and implementation of a second direct service transactions reopening schedule. Status: Chapter 600, Statutes of 2018.

SB 790 (Leno) established a code of conduct and associated enforcement procedures governing how IOUs may interact with CCAs. Status: Chapter 599, Statutes of 2011.

SB 1488 (Bowen) required the CPUC to examine its practices regarding confidential information to ensure meaningful public participation in its proceedings and open decision making, while taking into account its obligations under Public Utilities Code Sections 454.5(g) and 583 to protect the confidentiality of certain information. Status: Chapter 690, Statutes of 2004.

AB 117 (Migden) allowed cities and counties to aggregate their electric loads and provide service directly to their residents through formation of CCAs. Status: Chapter 838, Statutes of 2002.

REGISTERED SUPPORT / OPPOSITION:

Support

350 Humboldt
Alliance for Retail Energy Markets
California Community Choice Association
California State Association of Counties (CSAC)
Central Coast Community Energy
City of Buellton
City of National City
City of Pinole
City of San Jose
City of Seaside, California
Climate Action California
Climate Breakthrough
Elders Climate Action (ECA) Northern California (NORCAL) and Southern California (SOCAL) Chapters
Goleta; City of
League of California Cities
Marin Clean Energy (MCE)
Monterey County Office of Supervisor Luis A. Alejo
Mothers Out Front Silicon Valley
Orange County Power Authority

Peninsula Clean Energy
Pioneer Community Energy
Redwood Coast Energy Authority
Rural County Representatives of California (RCRC)
San Diego Community Power
San Jose Community Energy Advocates
Silicon Valley Clean Energy
Sonoma Clean Power
The Climate Center
The Climate Reality Project: Silicon Valley
The Office of San Diego County Supervisor Terra Lawson
Town of Hillsborough

Oppose

Edison International and Affiliates, Including Southern California Edison
San Diego Gas and Electric Company

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