

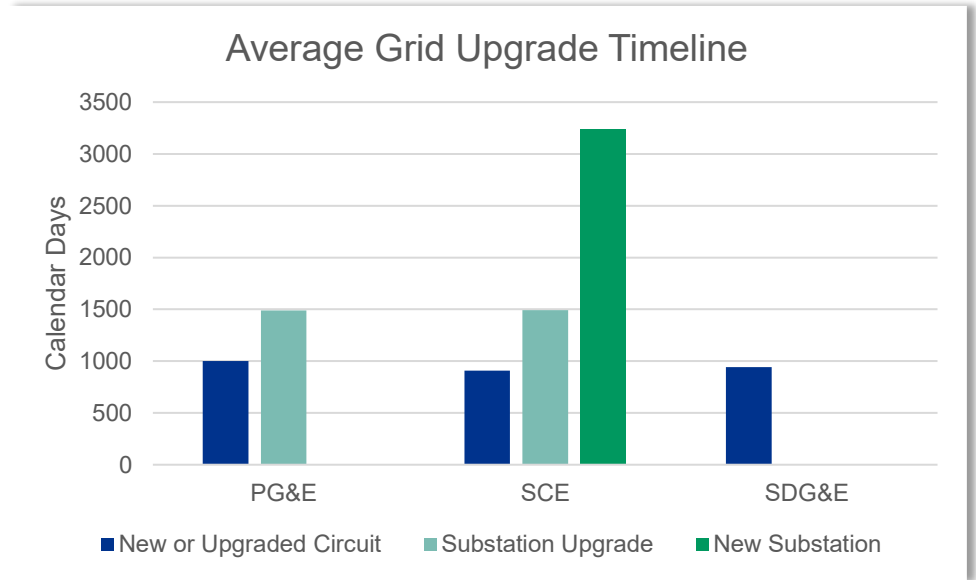
Proactive Planning, Equity, & Affordability in California

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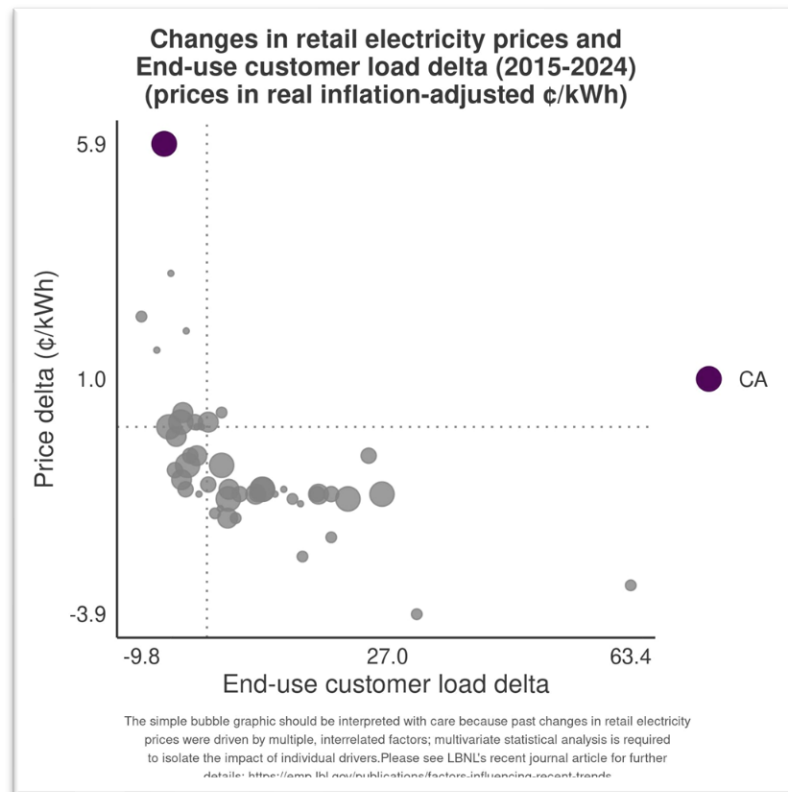
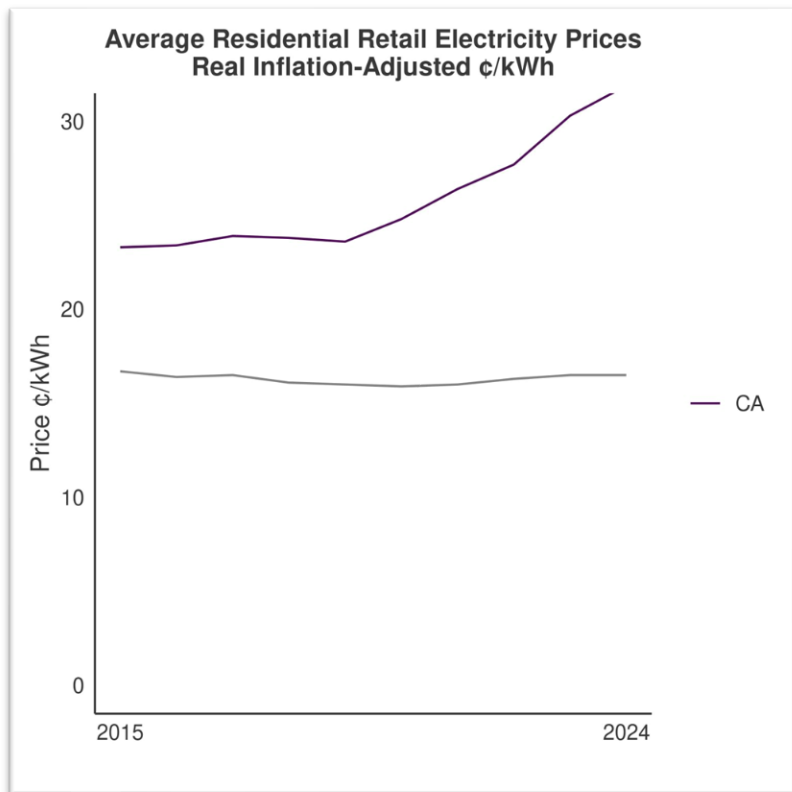


State of Energization in California

- Ambitious climate and electrification goals
- Long energization and grid upgrade timelines
- Energy affordability challenges



Energy Prices and Load Growth in California



Energization Timelines & Targets

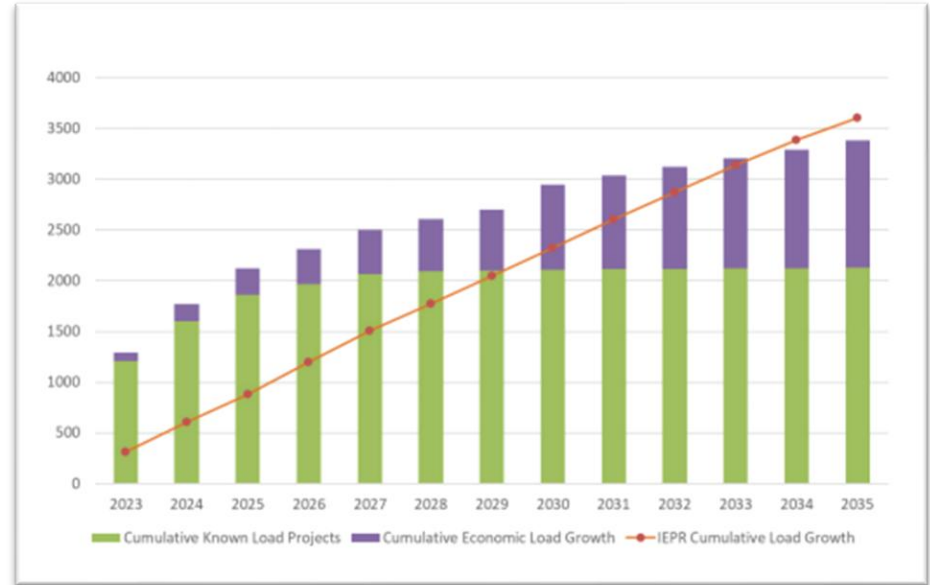
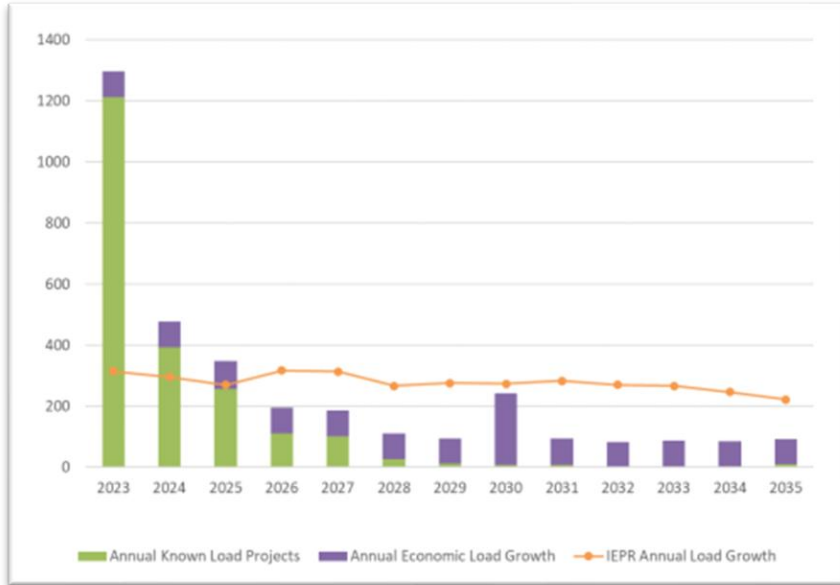
Energization Timelines & Targets

- Statute required energization timeline targets
- CPUC set uniform targets for CA's 3 large IOUs
 - 125 business day average target, 210-245 business day max target
 - 30-day average/45 max for main panel upgrades w/o grid upgrade
- Includes only utility-controlled steps
- Set separate max timelines for upstream upgrades
- Biannual reporting requirement

Pending Loads & Scenario Planning

Pending Loads

- Utilities' forecasts had been limited to Integrated Energy Policy Report (IEPR) growth caps



Pending Loads

- In December 2025, CPUC adopted pending loads resolution
- IOUs can incorporate certain categories of loads above the IEPR cap

Pending Load Category	Description	Use in Base Scenario
A	High confidence projects and are based on detailed customer plans	Can Exceed IEPR
B1	Medium confidence projects based on less detailed customer plans	Can Exceed IEPR
B2	Studies based on customer-based data inputs, and utility analysis-based compliance obligations.	Capped at IEPR except for hot spots
C	Preliminary customer plans and trends and non-customer-based studies	Capped at IEPR always

Scenario Planning



- In December 2025, CPUC also adopted Scenario Planning Resolution
- IOUs must forecast low, base, and high scenarios
- Scenarios are used to inform a single investment plan

Scenario Planning Meets Pending Loads

Pending Load Category	Description	Low Scenario	Base Scenario	High Scenario
A	High Confidence, Customer Based Projects	Included Can Exceed IEPR	Included Can Exceed IEPR	Included Can Exceed IEPR
B1	Medium Confidence, Customer Based Projects	Excluded	Included Can Exceed IEPR	Included Can Exceed IEPR
B2	Bottom-Up Study	Excluded	Included Capped at IEPR except for hot spots	Included Can Exceed IEPR
C	Low Confidence, Customer Based Projects and Studies	Excluded	Included Capped at IEPR always	Included Capped at IEPR except for hot spots

Scenario Planning – Decision Logic

Ex.	Base Scenario Solution and High Scenario Solution	Solution for Single Investment Plan	Outcome for distribution planning
1	Base: No grid need High: Sub-circuit solution	Reassess next planning cycle	<ul style="list-style-type: none"> • Status quo
2	Base: No grid need High: New circuit or more	Potentially plan partial construction <ul style="list-style-type: none"> • If grid need is within year 1-5, plan to build out to first switch • If grid need is within years 6-10, reassess next planning cycle 	<ul style="list-style-type: none"> • Reduces lead time of future new circuit(s) by ~1-2 years • Built assets could be repurposed for other load growth-driven needs and increased operational flexibility if original needs do not materialize
3	Base: New Circuit(s) High: Base+ additional New Circuit(s)	Plan to build new circuit(s) to address Base need plus additional construction: <ul style="list-style-type: none"> • If location of the High Scenario's load growth is known, plan new circuit mainline toward load • Otherwise plan out to first switch 	<ul style="list-style-type: none"> • Reduces lead time of future new circuit(s) by ~1-2 years • Built assets could be repurposed for other load growth-driven needs and increased operational flexibility if original needs do not materialize

Flexible Service Connections

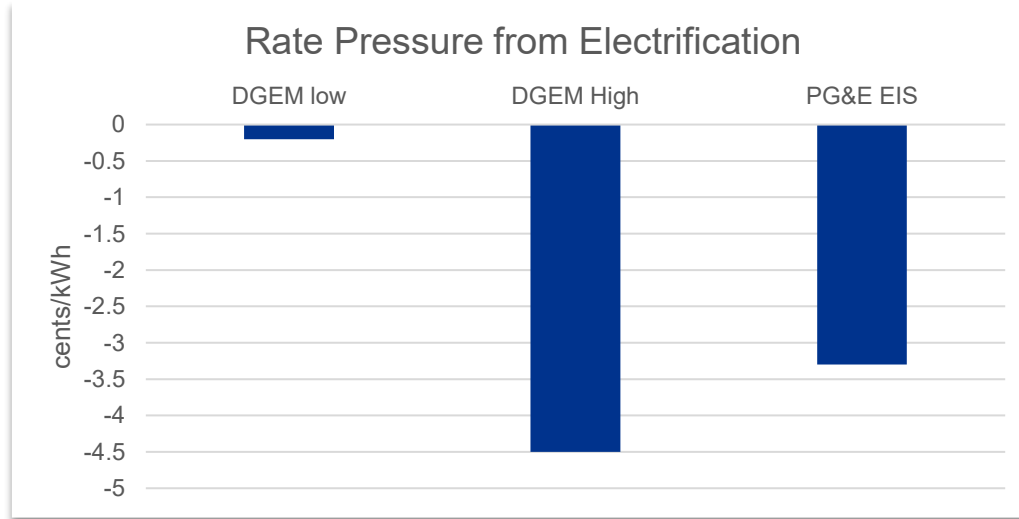
Flexible Service Connections

- PG&E and SCE pilots
 - Load Limit Letters
 - Flex Connect
 - Load Control Management Systems
- FSC Standard Offers
 - Minimum of six values (two time periods, three seasons)
 - “Trust & verify” compliance framework

Load Growth, Flexibility, & Affordability

Load Growth And Flexibility Can Decrease Rates

Both PG&E and the Public Advocates Office agree that electrification can put downward pressure on rates, the question is how much



Load Growth And Flexibility Can Decrease Rates

Load management is key to maximizing grid capacity and customer savings

- The Distribution Grid Electrification Model (DGEM) estimates well-managed EV charging can save \$5-18 billion in grid upgrade costs by 2040
- PG&E estimates adding dispatchable load management can save \$1.8 billion on top of its existing efforts

Key Takeaways



- No single solution to proactive planning
- Load growth can and should benefit all customers
- Flexibility is key

Thank You!

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