



CAC Item C5
Staff Report Item 11

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject:	Approval of Legislative positions for AB 1761 and SB 1138
Date:	March 18, 2025

Summary/Recommendation

Ava staff has worked to implement the Board approved Legislative Program since the Legislative Program’s adoption in July of 2018. The Legislative Program provides a framework for the Ava legislative team to identify, assess, track, and (with Board approval) take advocacy-related action regarding proposed legislation. Furthermore, the Legislative Program guides staff in identifying which of the more than 1,800 bills per year that are introduced in Sacramento are important to Ava and relevant to our services.

Ava staff recommend adopting a “support” position on two bills that the statewide CCA trade association (CalCCA) is sponsoring. The bills are Assembly Bill 1761 (Rogers) and Senate Bill 1138 (Padilla). As detailed below, AB 1761 increases transparency of rate setting processes by requiring data disclosures from the Public Utilities Commission (PUC) and Investor Owned Utilities (IOUs). SB 1138 facilitates affordability by allowing Ava and others to trade load obligations rather than spending additional money on resource adequacy under certain circumstances.

Financial Impact

- **AB 1761 (Rogers) - Support:** Unlikely to have a direct fiscal impact on Ava.
- **SB 1138 (Padilla) - Support:** The effect of SB 1138 and the ensuing launch of a Resource Adequacy (RA) transactability scheme will provide some level of financial

savings to Ava. Per analysis from CalCCA, if RA was transactable in summer of 2025, LSEs would have saved \$182 million through a combination of a reduction in RA prices and avoidance of excess RA procurement. Ava's share of that savings depends on a number of factors including Ava's procurement strategy, RA prices, and broader CAISO marketplace dynamics.

Analysis and Context

- **AB 1761 (Rogers) - Support:** If passed, AB 1761 will require the Public Utilities Commission (PUC) to ensure that all data relied on in any decision or ruling, or in any proposal or analysis provided by an investor-owned utility (IOU), PUC staff, or any other party, for the determination or application of a calculation methodology (e.g., for the Power Charge Indifference Adjustment (PCIA)) be made available to LSEs (including Ava) and ratepayer advocates. The CCA trade association (CalCCA) is sponsoring AB 1761 and Ava staff worked directly with CalCCA to draft the initial proposal and ensure its introduction in the California Assembly. If approved, AB 1761 would support Ava's affordability efforts by ensuring our staff would have access to all data relied upon by the PUC, PG&E, and other IOUs to calculate, e.g., the PCIA. This would allow Ava (and others) to review the data, ensure it is correct, and better plan for future changes to the PCIA and how to address its rate impacts on our customers.
- **SB 1138 (Padilla) - Support:** If adopted, SB 1138 would require the PUC to permit LSEs to demonstrate compliance with Resource Adequacy (RA) requirements by selling to, or otherwise making transactions with, another LSE to meet not more than 25% of our compliance obligation, on a short-term basis, and to permit those transactions to be denominated in the same unit of time used to denominate RA compliance requirements. CalCCA is sponsoring SB 1138 and Ava staff worked directly with CalCCA to draft the initial proposal and ensure its introduction in the California Senate. The proposal to allow for the trading of RA compliance products stems from the ongoing transition of RA compliance obligations from a monthly framework to a slice-of-day (hourly) framework. As of today, adjustments to an LSE's portfolio are limited to transacting product for the whole month even though obligations are now measured on an hourly basis. This mismatch means Ava must purchase more RA than we need to meet compliance obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices). SB 1138 will allow Ava to trade RA obligations with other LSEs and will facilitate the efficient procurement of Resource Adequacy, driving down prices across California.

Committee Recommendation

This matter was discussed at the March 6 Marketing, Regulatory, and Legislative Subcommittee meeting.

Attachments

- A. Resolution in support of AB 1761 and SB 1138
- B. AB 1761 Legislative language
- C. AB 1761 Fact sheet
- D. SB 1138 Legislative language
- E. SB 1138 Fact sheet
- F. Presentation - "2026.03.18 Board Item XX 2026 California Legislative Position Recommendations"

RESOLUTION NO. R-2026-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE AVA COMMUNITY ENERGY AUTHORITY IN SUPPORT OF
AB 1761 (ROGERS) AND SB 1138 (PADILLA)

WHEREAS Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Powers Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the Joint Powers Agreement (“JPA”) in March of 2020. The city of Stockton was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS federal and state governments consider numerous legislative proposals throughout the year that can have either a beneficial or negative impact on Ava Community Energy and our customers;

WHEREAS Ava Community Energy’s Legislative Program was first adopted in 2019 and has been updated frequently since then;

WHEREAS Ava Community Energy seeks to advance policy positions on a variety of issues including rate affordability, transmission affordability, managing data center growth, utility scale decarbonization, industrial and large load decarbonization, distributed energy resources, transportation electrification, dynamic rates, among others;

WHEREAS the Power Charge Indifference Adjustment has a significant impact on Ava Community Energy’s forecasting and customer energy affordability, which AB 1761 will mitigate by ensuring better transparency into Power Charge Indifference Adjustment (PCIA) costs;

WHEREAS the ongoing transition of Resource Adequacy compliance obligation from a monthly framework to a slice-of-day framework presents both challenges and opportunities, and SB 1138 will facilitate the efficient procurement of Resource Adequacy;

WHEREAS Ava Community Energy staff worked closely with CalCCA staff to draft AB 1761 and SB 1138 and identify legislative authors;

WHEREAS the CalCCA Board of Directors is in support of AB 1761 and SB 1138 and the organization serves as the official legislative “sponsor” of the bills;

WHEREAS the state legislative session is already under way and bills are moving through the legislative process;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby expresses its support for Assembly Bill 1761 (Rogers) and Senate Bill 1138 (Padilla).

ADOPTED AND APPROVED this 18th day of March, 2026.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

CALIFORNIA LEGISLATURE—2025—26 REGULAR SESSION

ASSEMBLY BILL

No. 1761

Introduced by Assembly Member Rogers

February 9, 2026

An act to add Section 365.4 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1761, as introduced, Rogers. Electricity: calculation methodology: data disclosure.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable.

This bill would require the commission to ensure that all data relied on in any decision or ruling, or in any proposal or analysis provided by an electrical corporation, the commission's staff, or any other party, for the determination or application of a calculation methodology for any charge imposed on customers of a load-serving entity to recover the cost of contracts or resources owned by an electrical corporation or any value derived from that calculation is made available to load-serving entities and ratepayer advocates on behalf of customers. The bill would require that data to meet specified requirements, including that it is made through a public disclosure, except for market-sensitive data, as provided.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the above prohibition would be a part of the act, and because a violation of a commission action implementing the above prohibition would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 365.4 is added to the Public Utilities
2 Code, to read:

3 365.4. (a) The commission shall ensure that all data relied on
4 in any decision or ruling, or in any proposal or analysis provided
5 by an electrical corporation, the commission's staff, or any other
6 party, for the determination or application of a calculation
7 methodology for any charge imposed on customers of a
8 load-serving entity, as defined in Section 380, to recover the cost
9 of contracts or resources owned by an electrical corporation or any
10 value derived from that calculation is made available to
11 load-serving entities and ratepayer advocates on behalf of
12 customers.

13 (b) Data provided pursuant to subdivision (a) shall meet all of
14 the following requirements:

15 (1) It shall be made through a public disclosure, except for
16 market-sensitive data, which shall be made through disclosure to
17 a nonmarket participant reviewing representative pursuant to the
18 terms of a reasonable, commission-approved nondisclosure
19 agreement.

20 (2) It shall be made available to load-serving entities and
21 ratepayer advocates concurrent with any proposal or analyses from
22 the electrical corporation, the commission's staff, or any other
23 party, or any commission adopted outcome. This requirement may
24 be met through adoption of data sharing practices mutually agreed
25 to by parties at the outset of a proceeding.

26 (3) It shall be made available in native file format.

1 SEC. 2. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 the only costs that may be incurred by a local agency or school
4 district will be incurred because this act creates a new crime or
5 infraction, eliminates a crime or infraction, or changes the penalty
6 for a crime or infraction, within the meaning of Section 17556 of
7 the Government Code, or changes the definition of a crime within
8 the meaning of Section 6 of Article XIII B of the California
9 Constitution.



Assembly Bill 1761 – Improving Energy Bill Transparency

Updated: February 18, 2026

Bill Summary

AB 1761 improves transparency to how the Power Charge Indifference Adjustment (PCIA), a charge on nearly all energy bills, is calculated.

Background

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 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 California Public Utilities Commission (CPUC) process or proceeding where the PCIA, or a related charge, is set.

Problem

CCAs, ESPs, and their customers must pay the PCIA charge but often lack access to the data, assumptions, and methods used to set it. This transparency problem leads to disputes, inefficiencies, and unexpected rate impacts for customers. More specifically:

- Disclosures vary by utility and by CPUC proceeding, resulting in repeated fights between CCAs and Investor-Owned Utilities (IOUs) over data access and increased administrative inefficiencies as the CPUC resolves disputes on a case-by-case basis.
- Utilities sometimes make mistakes. In a 2019 PG&E proceeding, CalCCA identified \$73 million in errors (including a \$16 million increase for CCA customers). In a recent proceeding, PG&E identified an accounting error that would have cost CCA customers \$217 million.
- In an ongoing PCIA Rulemaking, the Commission withheld information on the evidence underlying their proposal and the rate impacts of a proposed change. The CPUC did not respond to a Public Records Act request for the information.

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.

Solution

AB 1761 proposes amending the Public Utilities Code to require the CPUC and IOUs to disclose all data used to calculate PCIA costs, including cost inputs, forecasting assumptions, and methodologies. The bill would also ensure that when parties make proposals in a proceeding to change the PCIA they provide all the underlying data informing that proposal. Sensitive information would remain protected through Commission-approved nondisclosure agreements – a practice already used to protect sensitive information in other compliance areas.

Greater transparency allows CCAs and ESPs to better advocate for their customers and assess proposals to change the PCIA. It also can 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. Costs to implement the proposal are miniscule, as most of this information already exists, while the benefits for rate, accuracy, stability, and consumer protection are substantial. This proposal strengthens confidence that customers pay their fair share — and not more.

For More Information:

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Support

California Community Choice Association-
CalCCA(sponsor)

SENATE BILL

No. 1138

Introduced by Senator Padilla

February 18, 2026

An act to amend Section 380 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 1138, as introduced, Padilla. Load-serving entities: resource adequacy requirements.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law requires the commission, in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities, as provided. Existing law defines load-serving entity, for that purpose, as an electrical corporation, electric service provider, or community choice aggregator. Existing law requires each load serving to be subject to the same requirements for resource adequacy, the renewables portfolio standard program, and the integrated resource planning process that apply to electrical corporations, as provided.

This bill would require the commission to permit a load-serving entity to demonstrate compliance with resource adequacy requirements by selling to, or otherwise making transactions with, another load-serving entity to meet not more than 25% of its compliance obligation, on a short-term basis, and to permit those transactions to be denominated in the same unit of time used to denominate resource adequacy compliance requirements.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the above provisions would be a part of the act, and because a violation of a commission action implementing the above prohibition would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 380 of the Public Utilities Code is
2 amended to read:

3 380. (a) The commission, in consultation with the Independent
4 System Operator, shall establish resource adequacy requirements
5 for all load-serving entities.

6 (b) In establishing resource adequacy requirements, the
7 commission shall ensure the reliability of electrical service in
8 California while advancing, to the extent possible, the state's goals
9 for clean energy, reducing air pollution, and reducing emissions
10 of greenhouse gases. The resource adequacy program shall achieve
11 all of the following objectives:

12 (1) Facilitate the development of new generating, nongenerating,
13 and hybrid capacity and the retention of existing generating,
14 nongenerating, and hybrid capacity that is economical and needed
15 for reliability and to achieve the state policy specified in Section
16 454.53.

17 (2) Establish new, or maintain existing, demand response
18 products and tariffs that facilitate the economical dispatch and use
19 of demand response that can either meet or reduce an electrical
20 corporation's resource adequacy requirements, as determined by
21 the commission.

22 (3) Equitably allocate the cost of generating capacity and
23 demand response in a manner that prevents the shifting of costs
24 between customer classes.

25 (4) Minimize enforcement requirements and costs.

26 (5) Consideration of mitigation measures, if the commission
27 determines they are needed, to reduce costs to ratepayers.

1 (6) Maximize the ability of community choice aggregators to
2 determine the generation resources used to serve their customers.

3 (c) Each load-serving entity shall maintain physical generating
4 capacity and electrical demand response adequate to meet its load
5 requirements, including, but not limited to, peak demand and
6 planning and operating reserves. The generating capacity or
7 electrical demand response shall be deliverable to locations and
8 at times as may be necessary to maintain electrical service system
9 reliability, local area reliability, and flexibility.

10 (d) Each load-serving entity shall, at a minimum, meet the most
11 recent minimum planning reserve and reliability criteria approved
12 by the board of directors of the Western Systems Coordinating
13 Council or the Western Electricity Coordinating Council.

14 (e) (1) The commission shall implement and enforce the
15 resource adequacy requirements established in accordance with
16 this section in a nondiscriminatory manner. Each load-serving
17 entity shall be subject to the same requirements for resource
18 adequacy, the renewables portfolio standard program, and the
19 integrated resource planning process pursuant to Section 454.52
20 that apply to electrical corporations pursuant to this section, or are
21 otherwise required by law or by order or decision of the
22 commission. The commission shall exercise its enforcement powers
23 to ensure compliance by all load-serving entities.

24 (2) *Notwithstanding subdivision (c), the commission shall permit*
25 *a load-serving entity to demonstrate compliance with resource*
26 *adequacy requirements by selling to, or otherwise making*
27 *transactions with, another load-serving entity to meet not more*
28 *than 25 percent of its compliance obligation, on a short-term basis,*
29 *and shall permit those transactions to be denominated in the same*
30 *unit of time used to denominate resource adequacy compliance*
31 *requirements.*

32 (f) (1) The commission shall require sufficient information,
33 including, but not limited to, anticipated load, actual load, and
34 measures undertaken by a load-serving entity to ensure resource
35 adequacy, to be reported to enable the commission to determine
36 compliance with the resource adequacy requirements established
37 by the commission.

38 (2) The commission shall calculate and publish annually on its
39 internet website, in a new report or as part of another report, the
40 percentage of each load-serving entity's local and system resource

1 adequacy requirements from the previous calendar year that was
2 met with capacity from eligible renewable energy resources
3 pursuant to the California Renewables Portfolio Standard Program
4 (Article 16 (commencing with Section 399.11)), other zero-carbon
5 resources, including large hydroelectric and nuclear resources, or
6 energy storage resources. In determining the percentage of each
7 load-serving entity's resource adequacy requirements, the
8 commission shall include all directly owned or contracted resources
9 and each load-serving entity's allocation of any centrally procured
10 resources or allocation of resources pursuant to any other
11 mechanism that involves an assignment or allocation of resources
12 purchased or owned by a single buyer, and shall exclude any share
13 of a load-serving entity's resources that were allocated to another
14 load-serving entity.

15 (g) An electrical corporation's costs of meeting or reducing
16 resource adequacy requirements, including, but not limited to, the
17 costs associated with system reliability, local area reliability, or
18 flexible resource adequacy, that are determined to be reasonable
19 by the commission, or are otherwise recoverable under a
20 procurement plan approved by the commission pursuant to Section
21 454.5, shall be fully recoverable from those customers on whose
22 behalf the costs are incurred, as determined by the commission,
23 at the time the commitment to incur the cost is made, on a fully
24 nonbypassable basis, as determined by the commission. The
25 commission shall exclude any amounts authorized to be recovered
26 pursuant to Section 366.2 when authorizing the amount of costs
27 to be recovered from customers of a community choice aggregator
28 or from customers that purchase electricity through a direct
29 transaction pursuant to this subdivision.

30 (h) The commission shall determine and authorize the most
31 efficient and equitable means for achieving all of the following:

- 32 (1) Meeting the objectives of this section.
- 33 (2) Ensuring that investment is made in new generating capacity.
- 34 (3) Ensuring that existing generating capacity that is economical
35 is retained to ensure reliability.
- 36 (4) Ensuring that the resource adequacy program can reasonably
37 maintain a standard measure of reliability, such as a
38 one-day-in-10-year loss-of-load expectation or a similarly robust
39 reliability metric adopted by the commission, and use it for
40 planning purposes.

1 (5) Ensuring that the cost of generating capacity and demand
2 response is allocated equitably.

3 (6) Ensuring that community choice aggregators can determine
4 the generation resources used to serve their customers.

5 (7) Ensuring that investments are made in new and existing
6 demand response resources that are cost effective and help to
7 achieve electrical grid reliability and the state's goals for reducing
8 emissions of greenhouse gases.

9 (8) Minimizing the need for backstop procurement by the
10 Independent System Operator.

11 (i) In making the determination pursuant to subdivision (h), the
12 commission may consider a centralized resource adequacy
13 mechanism among other options.

14 (j) The commission shall ensure appropriate valuation of both
15 supply and load modifying demand response resources. The
16 commission, in an existing or new proceeding, shall establish a
17 mechanism to value load modifying demand response resources,
18 including, but not limited to, the ability of demand response
19 resources to help meet distribution needs and transmission system
20 needs and to help reduce a load-serving entity's resource adequacy
21 obligation pursuant to this section. In determining this value, the
22 commission shall consider how these resources further the state's
23 electrical grid reliability and the state's goals for reducing
24 emissions of greenhouse gases. The commission, Energy
25 Commission, and Independent System Operator shall coordinate
26 to jointly ensure that changes in demand caused by load modifying
27 demand response are expeditiously and comprehensively reflected
28 in the Energy Commission's Integrated Energy Policy Report
29 forecast and in planning proceedings and associated analyses, and
30 shall encourage reflection of these changes in demand in the
31 operation of the *electrical* grid.

32 (k) For purposes of this section, "load-serving entity" means an
33 electrical corporation, electric service provider, or community
34 choice aggregator. "Load-serving entity" does not include any of
35 the following:

36 (1) A local publicly owned electric utility.

37 (2) The State Water Resources Development System commonly
38 known as the State Water Project.

39 (3) Customer generation located on the customer's site or
40 providing—~~electric~~ *electrical* service through arrangements

1 authorized by Section 218, if the customer generation, or the load
2 it serves, meets one of the following criteria:

3 (A) It takes standby service from the electrical corporation on
4 a commission-approved rate schedule that provides for adequate
5 backup planning and operating reserves for the standby customer
6 class.

7 (B) It is not physically interconnected to the electrical
8 transmission or distribution grid, so that, if the customer generation
9 fails, backup electricity is not supplied from the electrical grid.

10 (C) There is physical assurance that the load served by the
11 customer generation will be curtailed concurrently and
12 commensurately with an outage of the customer generation.

13 SEC. 2. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.

SB 1138 – Lowering the Cost of California’s Resource Adequacy (RA) Program

Background

California’s Resource Adequacy (RA) program, which ensures there is enough electricity supply to meet customer demand, recently transitioned to a new “Slice-of-Day (SOD)” compliance framework, which requires load-serving entities (LSEs), such as community choice aggregators (CCAs), investor-owned utilities (IOUs) and energy service providers (ESPs), to procure enough RA to meet load obligations in each hour rather than monthly. While this aligns resources more precisely with load, under current rules, LSEs can only buy or sell RA products for the whole month even though obligations are unique to each hour.

Problem

The mismatch between the procurement obligations and transaction rules forces LSEs to purchase more RA than they need to meet their obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices). It’s akin to having to buy a crate of oranges when you only need a few slices. These unnecessary costs fall directly on California ratepayers, totaling tens of millions of dollars annually.

Solution

At a time of rapidly rising costs in the electricity sector, policymakers should provide LSEs maximum flexibility in how they contribute their fair share to keep the overall system reliable. SB 1138 would lower the costs to consumers of California’s RA trading program by allowing LSEs to transact RA load obligations on an hourly basis to align with the new slice-of-day RA program.

Benefits

Enabling hourly load obligation trading:

- ✓ Promotes efficiency: LSEs with excess resources in one hour could trade with LSEs that are short, reducing the need to purchase additional RA.
- ✓ Delivers affordability: In 2025, hourly trading could have lowered RA costs for consumers **by avoiding \$105 million in excess RA purchases for summer 2025** and **potentially saving an additional \$77 million annually**.
- ✓ Maintains LSE Responsibility: Creates a new procurement product rather than offering relief from meeting existing requirements
- ✓ Requires limited administrative oversight: Trades can be executed bilaterally with existing RA tracking tools, making the system administratively simple while maintaining each LSE’s full responsibility to meet obligations.

Today's RA rules make it difficult for CCAs to allocate resources efficiently, resulting in unnecessary costs and administrative hurdles. By allowing hourly transactions, CCAs can better match supply to local demand, reduce over-procurement, and protect customers from inflated electricity costs. The system becomes more transparent, predictable, and fair. **These reforms could save tens of millions of dollars each year while maintaining reliability and supporting California's clean energy goals.**

Staff Contact

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Support

- California Community Choice Association (sponsor)

2026 California Legislative Position Recommendations

Sam Sadle – March 18, 2026



Power Charge Indifference Adjustment (PCIA)

2025: What changed with the PCIA?

Power Charge Indifference Adjustment (PCIA) is Meant to Prevent Unintended Cost Shifts

- The PCIA seeks to ensure departed customers neither impose nor receive unintended benefits bundled customers through evaluating the value of legacy utility resources relative to recent market values.

February 2025: Energy Division Report Asserts PCIA Calculation Methodology Needs Reform

- CPUC staff asserts the way the PCIA's RA market price benchmarks were calculated was flawed—resulting in a undesirably distorted valuation of legacy utility resources—and urgently needed reform.

February 2025 to May 2025: CPUC's Undertakes Accelerated Rulemaking

- After only two months of consideration, in May, CPUC staff proposes (and then in June the Board subsequently elects) to implement new RA market price benchmarks as part of the PCIA calculation that result in meaningful impacts for Ava and other CCA customer costs to the benefit of bundled customers.

KEY TAKEAWAY: Lack of Transparency

- Despite requests from Ava and other CCAs, in the proceeding *and* through Public Records Act requests, the **CPUC has refused to share the information staff used** to conclude that the previous methodology was flawed and that rapid change was needed. **Absent legislative action, we do not expect this to change in the ongoing track 2 and 3 PCIA regulatory processes.**

Power Charge Indifference Adjustment (PCIA)

2026: Potential PCIA legislative action

AB 1761 Electricity: calculation methodology: data disclosures (Rogers):

- Official summary: *This bill would require the commission [CPUC] to ensure that all data relied on in any decision or ruling, or in any proposal or analysis provided by an electrical corporation, the commission’s staff, or any other party, for the determination or application of a calculation methodology for any charge imposed on customers of a load-serving entity to recover the cost of contracts or resources owned by an electrical corporation or any value derived from that calculation is made available to load-serving entities and ratepayer advocates on behalf of customers. The bill would require that data to meet specified requirements, including that it is made through a public disclosure, except for market-sensitive data, as provided.*

(Emphasis added)

Support:



Oppose:



Staff proposed action:



Support
AB 1761
(Rogers)

Resource Adequacy (RA)

2025: Transition to "Slice-of-Day" and unsuccessful regulatory and legislative strategy

CPUC transitions RA program to "Slice-of-Day"

- Prior to 2025, LSEs were required to procure sufficient RA capacity in order to demonstrate they were able to meet demand for the **single highest demand hour** each month
- Launched in 2025, the CPUC's Slice of Day ("SOD") RA program now requires LSEs to show available generating capacity to meet the highest demand for **each hour on the day with the highest demand each month**.

Compliance mismatch

- Under existing rules, LSEs are restricted in how they can transact with other entities to ensure compliance and are limited to transacting RA product for the whole month even though obligations are unique to each hour.
- This mismatch means LSEs must purchase more RA than they need to meet their obligations, creating artificial market scarcity and unnecessarily driving up RA demand (and prices)

CCA initiatives to allow hourly transactability to address mismatch in "Slice-of-Day" program

- Regulatory approach: Since 2022, CalCCA and other parties have sought to achieve hourly transactability through regulation. The CPUC refused to consider transactability until February 2026 when it released an assessment concluding that while it would provide cost savings for customers, the CPUC was ill-equipped to implement it.
- 2025 legislative session: CalCCA pursued a strategy to insert RA transactability language into other energy legislative proposals and budget trailer bills. This was unsuccessful.

Resource Adequacy (RA)

2026: Potential RA transactability legislative action

SB 1138 Load-serving entities: resource adequacy requirements (Padilla):

- Official summary: *This bill would require the commission to permit a load-serving entity to demonstrate compliance with resource adequacy requirements by selling to, or otherwise making transactions with, another load-serving entity to meet not more than 25% of its compliance obligation, on a short-term basis, and to permit those transactions to be denominated in the same unit of time used to denominate resource adequacy compliance requirements.*

(Emphasis added)

Support:



Oppose:

Staff proposed action:

The logo for Ava Community Energy, with "Ava" in large white font and "Community Energy" in smaller white font on a dark orange background.

Support
SB 1138
(Padilla)