Date of Hearing: April 29, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1761 (Rogers) – As Amended March 19, 2026

Policy Committee: Utilities and Energy Vote: 15 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill directs the California Public Utilities Commission (CPUC) to ensure that all data that is the basis of any decision or ruling to authorize the recovery of certain costs from customers of a load-serving entity (LSE) be made available to the LSE and ratepayer advocates.

Specifically, this bill requires the CPUC ensure that all data serving as a basis for any decision or ruling issued by the CPUC, or in any proposal or analysis provided by CPUC staff, for the determination or application of a calculation methodology for any charge imposed on customers of an LSE to recover costs associated with contracts, electrical corporation-owned generation or any other resource or value included in that charge, and any other charge derived from those costs, is made available to the LSE and ratepayer advocates on behalf of customers.

The bill requires any such data (1) be made through a public disclosure, except for market-sensitive data, which shall be made through disclosure to a nonmarket participant reviewing representative pursuant to the terms of a reasonable, CPUC-approved nondisclosure agreement, (2) be made available to the LSE and ratepayer advocates concurrent with any proposal or analyses from the electrical corporation, CPUC staff or any other party, or any CPUC-adopted decision or ruling and (3) be made available in native file format.

The bill further states that a failure to comply with its provisions, or the identification of good faith errors, omissions or inaccuracies in data disclosed shall not, by itself, affect the validity of any calculation methodology, charge, decision or ruling adopted by the CPUC, unless the failure, good faith error, omission or inaccuracy constitutes one or more of the grounds specified in existing law.

FISCAL EFFECT:

This bill requires significant new work of the CPUC to review data for market sensitivity and make it generally available. Such work will likely create new costs in hundreds of thousands of dollars annually to fund the work of one new staff member, at least (Public Utilities Commission Utilities Reimbursement Account).

The CPUC estimates these costs to be $734,000 annually to support (a) three positions ($654,000) to analyze confidentiality of data, decide what can be shared without adversely affecting the market, support the data-sharing process and assist LSEs, when requested, (b) $50,000 annually for additional storage capacity and associated software or hardware and (c)

$30,000 for each of three years for training on treatment and retention of market sensitive and confidential data (PUCURA).

COMMENTS:

1) **Purpose.** This bill concerns the power charge indifference adjustment (PCIA), which the CPUC describes as:

> the portion of your bill intended to ensure that customers who receive their electric supply from third-party providers, such as a [community choice aggregator (CCA)], pay their share of costs for energy that was acquired by the IOU to serve them prior to their departure. The PCIA is included in the IOU's non-generation charges and may change annually to ensure that the IOU's remaining customers do not bear any cost created by departing customers who receive their electric supply from a third- party provider, such as a CCA.

   The author characterizes this bill as increasing transparency around the CPUC's calculation of costs to be paid by customers of CCAs and energy service providers (ESPs), which, the author contends, will reduce disputes and, possibly, save those customers money. According to the author:

> 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…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…This proposal strengthens confidence that customers pay their fair share — and not more.

   Additionally, the author contends the requirements of AB 1761 will "reduce staffing costs and administrative burdens" because "CPUC staff is already doing the work of releasing PCIA data," and "With the potential for less Public Records Act requests due to increased transparency, the bill could potentially even lower the amount of staff time devoted to PRA responses."

2) **Background.** In California, retail electricity service is generally provided by what statute refers to as LSEs. There are many types of LSEs, including integrated utilities, such as investor-owned utilities (IOUs) like Pacific Gas and Electric (PG&E) and Southern California Edison (SCE), the rates of which are regulated by the CPUC, and publicly owned municipal utilities (munis), such as the Los Angeles Department of Water and Power (LADWP) and the Sacramento Municipal Utilities District (SMUD), which set their own rates. Such integrated utilities both procure electricity on behalf of their customers and deliver the electricity to those customers through the utility's transmission and distribution

systems and provide other related services. This type of integrated utility service is commonly known as bundled service.

Another type of LSE is the CCA, in which a local government within the service territory of an incumbent IOU elects to aggregate electricity demand within the jurisdiction of the CCA in order to procure electricity for the CCA's customers. Such a CCA continues to rely on the incumbent IOU to provide electricity transmission and distribution services, as well as metering, billing, collection and customer service. In effect, the customer of a CCA receives an electric bill with two components—the costs of the CCA to procure electricity and the costs of the incumbent IOU to provide transmission, distribution and other related services.

The law that authorized creation of CCAs— AB 117 (Migden), Chapter 838, Statutes of 2002—provided that a customer of an incumbent IOU in a territory in which a CCA is formed is automatically enrolled in the CCA unless the customer opts out of the CCA in order to continue to receive bundled service from the incumbent IOU. Importantly, the law provides the following:

> It is the intent of the Legislature that each retail end-use customer that has purchased power from an electrical corporation on or after February 1, 2001, should bear a fair share of the Department of Water Resources' electricity purchase costs, as well as electricity purchase contract obligations incurred as of the effective date of the act adding this section, that are recoverable from electrical corporation customers in commission-approved rates. It is further the intent of the Legislature to prevent any shifting of recoverable costs between customers.

This requirement is oftentimes called cost indifference, meaning the customers of the IOU should be indifferent, from a cost perspective, to the exit of customers from bundled IOU service for electricity procurement service by a CCA. To ensure such customer indifference, the CPUC instituted the PCIA.

Calculation of the PCIA is complex and, since launch of the first CCA, Marin Clean Energy, in 2010, contentious. This is because one appeal of a CCA is its ability to procure a "greener" mix of energy resources and at a cost that is lower than the incumbent IOU's cost to do so. But whether the actual bill of a CCA customer is lower than that of a customer who receives bundled service from an incumbent IOU often comes down to the amount of the PCIA charged to the CCA customer.

This bill, thankfully, does not attempt to recalibrate the PCIA. Rather, it requires the CPUC to make available data it uses to set the PCIA so that interested parties may use that information in their advocacy before the CPUC. Or, as numerous CCAs put it:

> Greater transparency will allow stakeholders to verify calculations, improve forecasting, and better protect customers from unexpected rate increases. It will also strengthen regulatory accountability and help ensure that customers pay their fair share – and not more.

The IOUs see things differently. For example, San Diego Gas and Electric objects to the bill, asserting "AB 1761 does not balance transparency interests with confidentiality needs and

customer cost protection priorities, creating a framework that would ultimately harm the customers it aims to protect." Similarly, SCE describes the bill as "duplicative of existing, well-established CPUC data-access procedures" and that "CCAs have not utilized or indicated deficiencies in their ability to access data for PCIA ratemaking purposes."

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081