SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1761 (Rogers) - Electricity: calculation methodology: data disclosure

Version: March 19, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: E., U. & C. 17 - 0
Mandate: Yes
Consultant: Ashley Ames

Bill Summary: This bill would require the California Public Utilities Commission (CPUC) to ensure that all data serving as a basis for any decision or ruling issued by the CPUC for the determination of a calculation methodology for any charge imposed on customers of a load-serving entity (LSE) for costs associated with contracts for generation resources or electrical corporation-owned generation is made available to LSEs and ratepayer advocates on behalf of customers.

Fiscal Impact:
- The CPUC estimates ongoing costs of $734,000 annually (ratepayer funds) to review, compile and prepare any data deemed appropriate for sharing, including market sensitive data, concurrent with any proposal or analyses related to the charge imposed on LSEs. This work may require involvement of multiple sections of the CPUC's Energy Division, such as the Renewable Portfolio Standard or Resource Adequacy sections, depending on the specific proposal or analyses and associated data. In all cases, the Energy Division would have to analyze data in terms of confidentiality and in close coordination with the Legal Division. Finally, the Energy Division would need to support Legal in any required processes for data sharing and be available to respond to any questions from LSEs.

Background: The Power Charge Indifference Adjustment (PCIA) is calculated as the difference between the utility's "actual portfolio cost" — the costs tied to its energy procurement — and the "market value" of that same portfolio. Market value is determined through a CPUC-approved methodology known as the Market Price Benchmark (MPB), which uses the weighted average price of market transactions for the energy index price, resource adequacy capacity (system, local, and flexible), and renewable portfolio standard value. Only resources contracted or built before load departure are eligible for inclusion in the portfolio cost. If the utility's actual portfolio cost exceeds market value, departing load customers pay their share of that difference based on their power consumption; if the calculation comes out negative, they receive a credit that offsets future positive PCIA charges.

The resulting charge or credit is assigned by "vintage" — the year the customer departed the utility's procurement service — because the applicable portfolio differed at each point in time, so each customer pays the PCIA associated with their departure year. PCIA revenue requirements and rates are recalculated annually through each electric IOU's Energy Resource Recovery Account (ERRA) proceeding. The revenue is not profit for any entity; it represents customer costs, so changes to the PCIA shift costs among customers rather than affecting utility earnings. As the CPUC noted in its most recent decision (D.25-06-049), these processes are complex, frequently contentious, and routinely disputed in the annual ERRA forecast proceedings.

Proposed Law: This bill would:

1. Require the CPUC to 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 LSEs and ratepayer advocates on behalf of customers.

2. Require the CPUC to require an electrical corporation or other party, in submitting a proposal or analysis 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, to make all data serving as a basis for that proposal or analysis available to LSEs and ratepayer advocates on behalf of customers.

3. Require that data to meet specified requirements, including that it would be made available through a public disclosure, except for market-sensitive data, as provided.

Related 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.

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. The bill died in the Assembly Committee on Utilities and Energy.

SB 520 (Hertzberg, Chapter 408, Statutes of 2019) 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 requirements for the process of designating and the qualifications required of the POLR.

SB 237 (Hertzberg, Chapter 600, Statutes of 2018) 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 directed the CPUC to provide recommendations to the Legislature, with specified findings, on the adoption and implementation of a second direct service transactions reopening schedule.

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

SB 1488 (Bowen, Chapter 690, Statutes of 2004) 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 §454.5(g) and §583 to protect the confidentiality of certain information.

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

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