

California Public  
Utilities Commission

# 2025 Annual Report





California Public Utilities Commission



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# President's Message

**Honorable Gavin Newsom, Governor of the State of California, and honorable members of the California State Legislature:**

I am pleased to present this report—the 2025 Annual Report of the California Public Utilities Commission (CPUC). This report looks back at what we have accomplished and ahead at the work to come, covering everything from rail safety to water, renewable energy, autonomous vehicles, and the expansion of broadband throughout the state.

As global temperatures continue to rise and we experience extreme weather driven by climate change, we face rising utility costs that bring new challenges to our focus on utility customers. We recognize that we must adapt to a changing climate and continue to work towards reducing greenhouse gas emissions statewide to reach California's goal of carbon neutrality by 2045. California is working to upgrade its electricity grid, deploy an unprecedented number of new energy storage systems, and decarbonize its vehicles, homes, and buildings.

In 2025, California brought over 6,800 megawatts of new nameplate capacity online and celebrated a milestone achievement of reaching 17,000 megawatts of installed battery storage capacity.

In the area of broadband, the CPUC advanced one of the state's most significant broadband initiatives, the federal Broadband, Equity, Access, and Deployment (BEAD) program. This program will invest \$1.86 billion in broadband infrastructure in the state of California, bringing reliable internet

service to homes, businesses, and community centers that are currently unserved or underserved. The CPUC's proposal will support broadband projects aimed at reaching communities that currently lack reliable internet service, including rural areas, Tribal lands, and low-income neighborhoods, accelerating California's progress toward universal, equitable broadband access.

Throughout all our work, we are focused on affordability and protecting ratepayers, while at the same time requiring utilities to improve the quality of their services and upgrade their infrastructure, addressing new challenges, and continuing to support low-income customers. To that end, this year's report contains a special highlight on affordability, detailing the various actions we took in 2025 to reduce costs and rates.

In 2026, the CPUC will continue its mission of empowering California, the 4th largest economy in the world, through access to safe, clean and affordable utility services and infrastructure. Our efforts across the diverse industries we regulate work towards achieving California's innovative, inclusive economy for all to thrive. I hope this report provides a good overview of how the CPUC functions, what we have been able to achieve and where we expect to be in 2026.

Sincerely,

**President Alice Reynolds**

California Public Utilities Commission

## CPUC Commissioners in 2025



Alice Reynolds,  
President



Darcie L. Houck,  
Commissioner



John Reynolds,  
Commissioner



Karen Douglas,  
Commissioner



Matthew Baker,  
Commissioner



## Mission Statement

The CPUC empowers California through access to safe, clean, and affordable utility services and infrastructure.

*CPUC staff at the 400 R Street CPUC office in Sacramento.*



## 2025: A Year of Resiliency

The California Public Utilities Commission (CPUC) sets the policy and rules for regulated utility services that are essential to modern life for all Californians. The CPUC's mission is to provide access to safe, clean, reliable and affordable utility services.

*CPUC Federal Funding Account grantee, Varcomm Broadband Incorporated groundbreaking event in Terra Bella, Tulare County. CEO of Varcomm Broadband Incorporated, Eric Votaw, shares the importance of the broadband project with community leaders and CPUC staff attending.*

**2025 tested California's resiliency.** Challenges abounded and affected all Californians—from the loss of federal clean energy tax credits and a drastic revision of federal rules for a signature Broadband for All program, to the affordability of utility services.

Real-world conditions like these are what make the CPUC's work to regulate electricity, gas, telecommunications and broadband, passenger transportation, rail safety and water so vital.

California has **vision**—you see it in 100 percent clean energy, last-mile broadband networks, clean transportation, decarbonized buildings, safe passenger transportation and safety at rail crossings. And California lives by its values: everyone shares in the prosperity of the vision. It's not just 100 percent clean energy—it's that the renewable energy is already flowing into *all* of our homes and businesses, regardless of where we live or how much we earn. Broadband is being built in communities where high-quality internet has been nonexistent or unaffordable. Wheelchair-accessible on-demand transportation is available in more counties than ever. Opportunities to electrify transportation and buildings are especially tailored to low-income communities statewide.

This is what **resiliency** means: access today, and building toward California's ambitious vision whose benefits are shared by all. The CPUC is at the forefront of this service to California.

This Annual Report highlights a selection of CPUC's accomplishments serving the people of California.

## Communications: Modernizing and Expanding Connectivity

California sets the pace for advancing economic growth and innovation *and* finding ways to deliver the benefits to everyone. In broadband and communications, this vision and value is realized when we modernize telecommunications and expand connectivity for everyone. In 2025, we listened to thousands of Californians across the state give input on regulatory solutions that deliver options for staying connected during emergencies and power outages. In pursuit of modernization and connectivity, the CPUC accelerated California’s progress toward universal, equitable broadband access, expanding high-quality internet in dozens of communities that have been left behind for too long, and setting the framework for bringing access to hundreds of thousands of homes and businesses in 2026.

### In a Rapidly Changing Communications Landscape, All Californians Deserve Resilient, Accessible Service

In 2025, the CPUC responded to the communications needs of Californians and initiated improved phone service and access to high-speed internet for Californians across the state. At the same time, the CPUC turned attention to the future of telecommunications and published a customer-focused proposal for communities where copper landlines are the sole or primary technology supporting basic service.

**Quality phone service:** The CPUC set significant new requirements to improve service for all Californians, no matter the technology and especially in emergencies. The new standards reflect a multi-year effort to set a practical, feasible framework for resilient voice service—provided by traditional landlines and Voice over Internet Protocol (VoIP). The CPUC’s service quality rules strengthen carrier accountability for customer service and outage repair. The ruling, to take effect in 2027, requires 90 percent of service outages for landline and VoIP to be restored within 24 hours and requires compensation to customers for prolonged outages. The CPUC also established an enforcement and penalty process, making compliance with service quality rules a core obligation.

Recognizing the evolution of communications technologies, the CPUC signaled that future phases will examine service quality requirements for wireless and broadband services.

**Carrier of Last Resort (COLR):** Sixteen companies currently have COLR designations, requiring them to provide basic communications service to all customers within their territories. With the state’s communications landscape evolving and residents increasingly relying on wireless and broadband services, the CPUC is reassessing whether California’s universal service requirements still make sense. This includes reviewing what “basic service”

includes, proposing mechanisms to catalyze increased market choice, determining responsibility for offering basic service, and considering when and how a company might be allowed to exit serving as a carrier of last resort in an area.

Throughout 2025, the CPUC engaged extensively with the public and stakeholders. The CPUC held two in-person workshops, one virtual workshop and 14 Public Participation Hearings to listen and learn from

Californians from across the state. These gatherings highlighted the varied access Californians have for essential communications—ranging from remote rural areas with limited options, especially when an emergency happens, to dense urban regions with more consumer choice.

The CPUC released a proposal in December recommending updates to the COLR framework, setting the stage for action in 2026.



### CPUC's Public Process by the Numbers

The CPUC took a fresh look at Carrier of Last Resort or COLR. To gather community input across our diverse state, the CPUC:

- Held **14 Public Participation Hearings** statewide with over **2,000 participants**, including several virtual hearings to maximize access.
- Conducted **3 workshops** for carriers, tribes, county commissioners, public safety officials and other stakeholders to gather input.
- Issued a staff proposal in December 2025 for action in 2026.

**California LifeLine Program:** To continue closing the digital divide, the CPUC approved multiple decisions to modernize the California LifeLine program in 2025. These decisions expanded access to high-quality internet service for more Californians. For example:

- The CPUC launched the new Home Broadband Pilot to increase the broadband data capacity available to low-income households through LifeLine. More Californians will be able to use technology-neutral broadband internet for work, school, health and safety through new subsidies, higher minimum service standards and an easier enrollment process.
- The CPUC also enhanced the LifeLine Foster Youth Program to offer every current and former foster youth reliable, affordable access to phone service to stay connected, pursue education and employment, and build independent lives. The changes make enrollment easier and preloads the Family Urgent Response System hotline on all phones for quick access to support.

**Broadband Equity, Access and Deployment Program (BEAD):** Despite having to completely rework the program in five months due to changes in federal rules, the CPUC finalized California's BEAD plan to secure up to \$1.86 billion for statewide expansion of quality broadband. The CPUC's leadership in federal

broadband programs like BEAD accelerates California's progress toward universal, equitable broadband access—an essential foundation for economic growth and social inclusion.

The CPUC ultimately presented to the National Telecommunications and Information Administration (NTIA) a broadband solution for 100 percent of BEAD's more than 300,000 eligible locations. The BEAD final proposal includes:

- Over 100 preliminary broadband projects recommended for funding covering more than 300,000 locations across the state.
- A mix of technologies including fiber, cable, fixed, wireless and satellite to reach different types of terrain and communities.
- A focus on bringing taxpayers the best value for their investment through market forces, including competitive bidding and cost controls.

Together, these projects are expected to reach every eligible BEAD location statewide, expanding internet access to hundreds of thousands of homes and businesses, and positioning California to secure historic federal funding and bring reliable internet service to communities that have been left behind for far too long. Looking ahead, the CPUC plans to finalize grant agreements with awardees in summer 2026.



## Closing the Digital Divide

One of many ways the CPUC is providing more Californians access to fast, reliable internet service is through Digital Divide Grants. The CPUC approved nearly \$200,000 in community grants for programs around the state in September 2025. These grants will provide Chromebooks, tablets and training directly to students, parents and seniors in low-income communities.

The grants are just one part of CPUC's **Broadband for All** initiative. The Digital Divide grants, together with the agency's infrastructure and affordability programs, are providing a pathway for all Californians to connect, learn and succeed.

## Impact to Date

**1.2 billion** in grants awarded

**55 counties** awarded

**118 projects** funded

**1.99 million** Californians benefiting

*as of December 31, 2025*



## California's Battery Storage and Clean Energy Milestones

The CPUC's actions drive California's clean energy accomplishments day after day.

- California continues to show that bold climate action and economic growth go hand-in-hand.
- Record-pace battery energy storage deployment provides reliability to the California grid, enhancing protection against extreme weather events.
- California exceeded 17,000 MW total of battery storage in 2025, a 2,100 percent increase from 2019.
- California's grid ran on 100 percent clean power for an average of nearly 6 hours per day in 2025, marking a 750 percent increase in clean-energy days since 2022.

## Electricity: Supporting Affordability, Enhancing Grid Reliability and Driving Clean Energy

The CPUC is accomplishing California's clean energy vision and values: a reliable electric grid powered by reasonably priced, carbon-free electricity at all hours of the day and night. It is already happening—in 2025, California's grid operated on 100 percent clean electricity for nearly one-third of every day. And this renewable electricity is already accessible to everyone in our state, because it's powering homes, businesses and industry every day. Pollution is already falling while the economy rises, and this achievement is being shared with all Californians. The journey is still underway, and the CPUC is working to make clean electricity accessible to all Californians and to build a reliable, safe, affordable and clean electric grid that uplifts the state's climate action goals and our economic vitality within all communities.

### Supporting the World's Fourth Largest Economy with Californians' Energy Needs in Mind

In 2025, the CPUC prioritized customers when it came to clean energy safety, future electric rates and utility infrastructure costs.

**Battery Storage Safety:** The CPUC rolled out more stringent safety standards as the exponential growth of battery storage supports California's clean energy goals.

- The CPUC modified General Order 167, adding new safety rules for maintenance and operations of battery energy storage facilities. The CPUC also made explicit that storage facility owners must develop full emergency response action plans.
- Battery storage enhances California's production of clean energy, storing that energy for future use and contributing to the entire state running on 100 percent clean energy for nearly one-third of every day.
- In 2025, California reached 17,000 MW of installed battery storage, a 2,100 percent increase from 2019 and the largest amount of any state.

### **Southern California Edison (SCE) General Rate Case (GRC):**

The CPUC approved revenue for 2025-2028 that is \$4.39 billion less than SCE requested, reflecting a commitment to supporting investments in safety and reliability at just and reasonable rates. In establishing the total amount of money SCE is authorized to collect from its customers through rates, the CPUC approved significant investments in wildfire risk reduction, safety and reliability of aging infrastructure and upgrades for increased load growth to support more housing, vehicle charging and economic growth while decarbonizing through electrification.

- **Wildfire Management and Grid Hardening:** Authorizes investments through targeted undergrounding and covered conductor programs, with a priority on high fire threat areas and vulnerable communities.
- **Vegetation Management:** Authorizes a budget of \$553.5 million to reduce ignition risks where vegetation is near electrical facilities.
- **Load Growth and Grid Modernization:** Authorizes infrastructure projects that support the build-out of the grid for increased electricity demand to support decarbonization, housing growth, vehicle charging and the economy.

## **2025 GRC Decision: A Focus on Customers and Public Understanding**

- In September, the CPUC issued a decision in SCE’s General Rate Case (GRC), approving revenue for 2025–2028 that was \$4.39 billion less than SCE had requested, reflecting the CPUC’s commitment to supporting investments in safety and reliability at just and reasonable rates.
- In its decision, the CPUC approved significant investments in wildfire risk reduction, safety and reliability of aging infrastructure and upgrades for increased load growth.
- To help customers understand the decision and how a GRC works, the CPUC’s Deputy Executive Director for Energy and Climate Policy, Leuwam Tesfai, [authored an article](#) explaining the GRC process, what a GRC includes, how the CPUC evaluates a utility’s GRC request and why GRCs matter to consumers.



**Cost of Capital:** The CPUC established the 2026-2028 Cost of Capital for the state’s four largest energy investor-owned utilities, setting the financial parameters that guide how utilities secure funding to maintain and modernize California’s electric and natural gas systems. Utilities rely on a mix of long-term borrowing, preferred equity and shareholder investment to fund infrastructure such as poles, wires, substations and wildfire safety upgrades. The CPUC’s Cost of Capital framework determines how utilities balance these funding sources to maintain healthy credit ratings in order to access capital at reasonable cost to ratepayers.

- The CPUC authorized Returns on Equity (ROEs) just under 10 percent for Pacific Gas & Electric, Southern California Gas and San Diego Gas & Electric, and slightly over 10 percent for Southern California Edison. These ROEs are less than the utilities asked for, below current levels and consistent with national trends.

### **Supporting the World’s Fourth Largest Economy with Actions for Affordability, Reliability and Clean Energy**

The CPUC brought rates down for customers by setting an equitable Base Services Charge that fairly shares the cost of the electric grid, moved California further along the journey to 100 percent clean, reliable energy to respond to the state’s changing climate and electricity needs, and

streamlined permitting to connect more clean energy to the grid faster.

**Bringing Rates Down by Fairly Sharing the Cost of the Grid:** The CPUC advanced electric rate affordability through implementation of the Base Services Charge. This charge is a monthly fee that covers certain fixed costs associated with providing electric service, such as infrastructure maintenance and customer service.

The key function of the Base Services Charge is to lower volumetric electricity rates. This helps support affordability for customers and businesses in climate zones reliant on air-conditioning, where electricity bills rise significantly in summer months. Lowering volumetric rates also makes it more affordable for people to electrify appliances and vehicles. In 2025, CPUC staff regulated the utilities so that they communicated transparently with their customers about the change. Southern California Edison and San Diego Gas & Electric launched the Base Service Charge in late 2025 and Pacific Gas & Electric, Bear Valley Electric and Liberty Utilities will implement it in early 2026.

**Reliable and Clean Electricity Every Hour, Every Day, All Year:** Reliable electricity is a top priority for the CPUC, and we continuously evolve the policies and rules that underpin it. As California’s climate changes and our energy mix grows cleaner, our reliability needs change too. The CPUC initiated the Slice of Day framework in 2025 to improve daily energy reliability for

all Californians. As a result, load-serving entities (LSEs) must procure sufficient energy resources for each “Slice of Day”—every hour of every day, across all months of the year. This change aims to improve grid reliability, especially as California increases its reliance on variable renewable energy sources like solar and wind.

**Streamlining Permitting for Essential Transmission:** Expanding and modernizing California’s transmission system in a timely way is essential to meeting clean energy goals, and in 2025

the CPUC took major steps to improve permitting efficiency. The CPUC adopted several key updates to General Order 131-E:

- Allows utilities to file administrative draft California Environmental Quality Act documents as part of permit applications.
- Requires early pre-filing CPUC consultation.
- Expands permit exemptions to streamline authorizations for projects already reviewed under CEQA or located within existing utility corridors.



## California Leaders: Historic Participation at COP30 in Brazil

CPUC President Alice Reynolds and Leuwam Tesfai, Deputy Executive Director for Energy and Climate Policy, shared California’s clean energy accomplishments and forged new partnerships as part of Governor Newsom’s California delegation at the 30th United Nations Conference of the Parties (COP30) international conference in November 2025.

**“Coming out of COP30, it is clear that we are facing a defining moment for the planet. And California is stepping up to the urgency that the pressing issue of climate change demands,” President Reynolds said. “We’re innovating, collaborating and investing to cut emissions, protect our communities and build a clean-energy economy that works for everyone. The world is looking for courageous action and leadership, and California is all in.”**

*President Alice Reynolds (second from left) and Leuwam Tesfai (right) at COP30 with partners from New South Wales, Australia, who recently visited California and CPUC leadership to learn more about our clean energy accomplishments.*

*Energy Division staff conduct an on-site-energy audit at University of California Santa Barbara for an energy efficiency program that encourages deeper energy savings and creative solutions to reduce site specific energy consumption.*

These changes provide greater clarity and efficiency in the permitting process while preserving rigorous environmental review and community participation.

**Clean, Reliable and Cost-Effective Energy Portfolios Carrying California Toward 100 Percent Clean Electricity:** The Integrated Resource Plan (IRP) is the CPUC's often-emulated work that establishes the clean energy portfolios that move us toward our 100 percent clean electricity goals, reliably and affordably. The process, which includes portfolio

modeling and the resulting procurement orders, led by the CPUC for the last 10 years, are responsible for the clean energy powering California's grid more than one-third of each day today. In 2025, the CPUC implemented core components of IRP that are already delivering for California:

- Supplied clean energy resource portfolios to the California Independent System Operator (CAISO) to connect to planned transmission in 2025–2026.
- Clarified rules for procuring long-duration energy storage, the emerging technology that has the potential to provide even more stability to California's clean energy grid operations.
- With an eye on the future of procurement within the fast-changing energy marketplace, issued a staff proposal for the new Reliable Clean Power Procurement Program.
- Cut ratepayer costs by eliminating duplicative requirements in the Mid-Term Reliability Program.

Looking ahead to the latter half of this decade and the early part of the next, California is forecasting rising demand from data centers, electric vehicles and building electrification. In 2026, the CPUC will model scenarios to supply reliable, clean energy to support these broad shifts in customer choices and the economy, especially for the years 2028-2032.



## Natural Gas: Planning for the Gas System of the Future

California leads the country in reducing greenhouse gas emissions from all sectors of the economy. Ultimately, this goal means reducing fossil fuel use, including for use by homes and businesses, and planning what this means for the future of the natural gas pipeline and storage system that delivers gas to customers today. During this transition, the CPUC's job is to regulate utilities so that the pipeline system in California operates safely, and provides affordable and reliable service for customers.

### Balancing Customer Needs with a Plan for Declining Gas Demand

The CPUC prioritized safety and reliability while facilitating possibilities for a different future with community conversations and pilot programs.

California's transition away from fossil fuels presents both opportunities and challenges for the state's gas system. The CPUC's Long-Term Gas Planning proceeding, opened in 2024, is the venue where the CPUC balances affordability, equity and safety with the need to plan for declining gas demand.

SB 1221, Gas Distribution Maps and Pilot Neighborhood Decarbonization (Min, 2024), requires the CPUC to establish a voluntary pilot program for neighborhood decarbonization zones. Gas utilities submitted maps of gas distribution line replacement projects in July 2025, and the CPUC authorized

memorandum accounts to track costs. After receiving utility recommendations, gathering data, hosting workshops with stakeholders and gathering public comment, the CPUC adopted preliminary priority zones for decarbonization pilots. The CPUC focused on areas with outdated infrastructure in order to avoid foreseeable gas distribution replacement projects.

*Staff from the CPUC's Energy Efficiency Branch participated in the California Efficiency and Demand Management Council's annual Evaluation Forum in Berkeley in February 2025.*



## Transportation: Advancing Safety and Accessibility for Californians and for Millions of Sports Fans

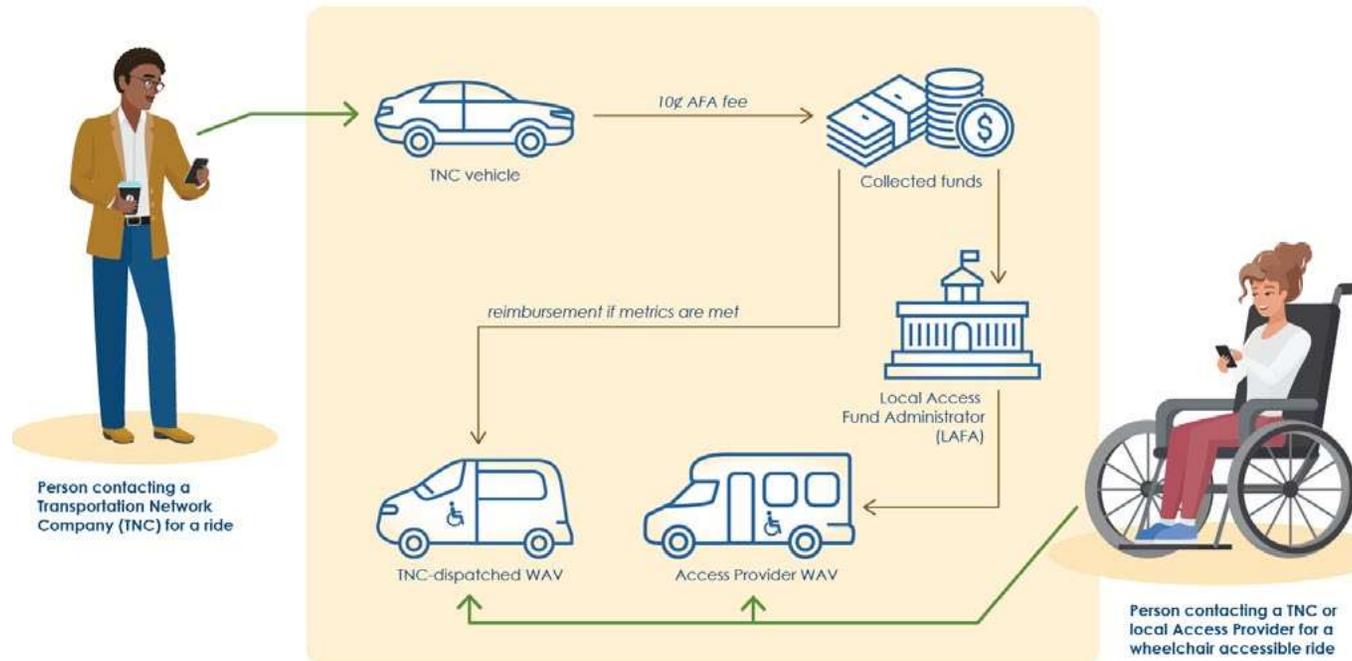
From autonomous vehicles and ride hailing applications to rail transit and freight trains, the CPUC oversees safety for California's ever-increasing abundance of options for transporting people and goods. In 2025, the CPUC expanded app-based on-demand ride service access for thousands of persons with disabilities while also directing safety measures for expanded transportation options. California will be on the global stage when our state hosts the World Cup in 2026 and the Olympics

in 2028, and fans and Californians alike will need safe, reliable, accessible and clean transportation choices.

### Improving Access for Persons with Disabilities

The CPUC's Access for All program resulted in thousands of people with disabilities receiving accessible on-demand ride services in parts of the state that need it the most.

#### Access for All Program



Since 2019, the CPUC’s Access for All Program—which provides persons with disabilities access to on-demand wheelchair-accessible vehicle (WAV) services—has invested \$90 million in 22 counties to provide accessible transportation through local access providers, Lyft and Uber. To date, Californians with disabilities and without reliable transportation have taken over 270,000 accessible rides through Access for All.

Access for All helps people with disabilities access the same type of on-demand rides many Californians already use from app-based services like Lyft and Uber. While these services are common across the state, WAVs are much harder to find. The program is funded through a simple idea: a ten-cent fee is collected on every on-demand ride service trip that starts in California. Community transportation and mobility organizations, who know local needs best, compete for program funds based on their offerings of accessible rides.

In 2025, the California Legislature extended Access for All, authorizing stable funding and long-term planning for improving WAV availability statewide through 2032.

The CPUC also amended its program rules in 2025 to allow partnerships between transportation network companies and taxi fleets that will boost supply of accessible rides even more and meet unmet WAV demand.

## Overseeing Safe On-Demand Ride Services and Autonomous Vehicles

The CPUC held on-demand ride service companies to high safety standards while addressing emerging issues in the new transportation landscape.

In 2025, the CPUC closed one of its highest-profile proceedings that covered transportation network companies (TNCs) and autonomous vehicle (AV) passenger services. The CPUC now required TNCs to submit non-confidential, public versions of their annual reports, improving transparency and accountability for the public and stakeholders.

Meanwhile, AV passenger service continued to expand, particularly in San Francisco and Los Angeles. The CPUC required companies to begin submitting data on stoppage events and more granular incidents to monitor safety trends and operational impacts.

To address the evolving AV landscape, the CPUC also launched a new rulemaking to consider issues such as unaccompanied minors, shared rides, service at airports, personally owned AVs, new partnership models and customer support requirements.



## The World’s Longest Light–Rail Line Grew to New Lengths

In September, cheers echoed through the Pomona Station as the LA Metro Line’s newest extension officially opened to riders. The 9.1-mile Foothill Phase 2B project added four new stations from Glendora to Pomona and stretched the A Line to more than 57 miles, making the longest light–rail line in the world even longer.

Before the ribbon was cut, an essential chapter quietly unfolded behind the scenes. The CPUC, in partnership with the LA Metro’s Rail Safety Team, fully verified that every gate, signal, bridge structure, station signage and emergency system—a checklist of thousands—was ready for safe passenger service.

*The CPUC Rail Transit Safety team verified that the LA Metro Line’s newest extension met all safety and design standards, including the new infrastructure for the Lone Hill Aerial Crossing (above).*

## A Year of Improvements and Resilience in Rail Safety

The CPUC oversaw Californians’ safety across 15 rail transit agencies in the state while focusing on major capital projects in preparation for the global stage.

With California preparing to host major global events—including the FIFA World Cup in 2026 and the LA28 Olympic and Paralympic Games in 2028—the CPUC intensified a focus on rail safety, system readiness and infrastructure modernization.

The CPUC oversaw the safety and security elements for 30 major capital transit projects across California as the projects moved forward in 2025. California’s transit agencies are investing in new rail connections, light rail extensions, accessibility upgrades, new vehicle procurement and significant modernization. CPUC engineers and inspectors provide oversight from early planning through safety certification, so that the transit agencies comply with rigorous safety standards before the riding public ever steps onto a train.

2025 Highlights include:

- **June:** Opening of the LAX/Metro Transit Center Station, connecting Los Angeles’ rail and bus systems with the future LAX Automated People Mover.
- **September:** Opening of the Foothills Phase 2B extension, expanding the nation’s longest light rail line by 9.1 miles.

In 2025, the CPUC also advanced two major safety improvements within our rules and programs:

- Implemented a risk-based transit inspection program, aligning with Federal Transit Administration requirements and enabling proactive hazard identification.
- Updated our Guidance ([CPUC Pedestrian Guidance](#)) on Pedestrian Treatments for Rail Crossings, providing actionable tools to rail transit agencies and railroad companies to improve safety for pedestrians, cyclists and mobility device users at California's 12,000 rail crossings statewide.

## Water: Clean, Safe and Reliable for All Californians

### Strengthening Access to Clean, Safe, Reliable Water

California's vision and values are clear: everyone in our state deserves access to clean, safe, reliable water. Millions of Californians rely on water supply from investor-owned water utilities regulated by the CPUC to deliver on that promise.

In 2025, the CPUC continued oversight of California-American Water's supply planning for the Monterey Peninsula, a region facing longstanding water constraints. In a technical update, the CPUC approved Cal-Am's updated long-term supply and demand estimates for the Monterey Peninsula Water Supply Project. The update



*A CPUC team recently inspected the new Automated People Mover at Los Angeles International Airport (LAX).*



*CPUC Water Division staff participated in a briefing on water storage tank advanced communications upgrades with San Jose Water.*

## The Man Who Shaped California Rail Safety Retires After Five Decades

Roger Clugston, Director of the Rail Safety Division, retired in August after 52 years working on and around California's railroads, 24 of those years for the CPUC.



Roger, who first started riding the rails with his father—who worked in a 'paint gang' for Santa Fe Railroad—came into the CPUC as an entry level inspector and moved up to director in 2019. His knowledge and values fully influenced how the CPUC oversees railway safety today.

"The thing Roger brought to the people of California is the full-on commitment to public safety above all else," said Pat Tsen, Deputy Executive Director of Consumer Policy, Transportation and Enforcement. "The CPUC is one of the foremost regulatory agencies in the U.S. that invests in rail safety and saving lives to this level."

His work with the CPUC was the highlight of his career, according to Roger. "You can do anything if you're willing to work hard for it," he said.

Today, the Division's 125 employees oversee safety for all of the 10,000 miles of California's freight and commuter railways as well as 12,000 rail crossings, all new railway construction and 15 local transit systems.

now forms a pathway for assessing future supply gaps and cost-effective ways to deliver water to meet those needs.

Access to clean, safe and reliable water is essential regardless of how many customers a utility serves. In 2025, the CPUC continued our inspection and regulation of small water utilities through the Water Division's Compliance Monitoring and Enforcement Program (CMEP). The CPUC's staff inspects over 80 small water utilities across the state and assists those that are most at risk of failing to meet CPUC standards and water quality requirements.



# Affordability Highlight

## Actions to Limit Costs and Save Ratepayers Money

*Sunrise view over solar panels and windmills in Palm Springs, California*

**2025 saw rising affordability concerns nationwide,** and California is of course not immune. Just as we have for several years, the CPUC is working to help mitigate utility costs and rate increases. We analyze utility budget requests with an eye to reducing costs overall. We are deploying rate design tools to distribute costs more fairly. And we require competition in clean energy procurement so that California's climate goals are advanced at market-based, lowest-cost prices.

The challenge of balancing our clean energy success with the costs of adapting to climate change is real. In February 2025, we published the [CPUC Response to Executive Order N-5-24](#), proposing a slate of ideas to mitigate the rising costs of electricity service in California. As we report in our EO response:

- All new large-scale procurement in California today is emissions-free, and prices for clean energy—wind, solar, and battery storage—are dropping each year. California is the fourth-largest economy in the world and already operates on clean energy for more than one-third of each day. This is a ratepayer-funded clean energy success story that we are living and benefiting from today.
- Customers are also paying for two major cost drivers: the utilities' investment in wildfire risk reduction, and an inequitable rate structure in the rooftop solar program. Wildfire costs are adding between \$250 to \$490 annually to an average electric customer's bill,

according to our estimates. And the rooftop solar program is costing customers who don't have rooftop solar between \$230 to \$380 each year.

The CPUC moved a number of proposals forward in 2025 that will bring costs down and distribute them more fairly.

- The CPUC approved revenue for the Southern California Edison (SCE) 2025-2028 General Rate Case that is \$4.39 billion less than SCE requested, supporting investments in safety and reliability at just and reasonable rates.
- The CPUC saved ratepayers money for the future by establishing the 2026-2028 Cost of Capital for the state's four largest energy investor-owned utilities below current levels and consistent with national trends. The Cost of Capital provides for fiscal health for the utilities so that they can fund the major investments needed to achieve California's electrification goals, meet rising energy demand and proactively mitigating wildfire risk.
- The CPUC advanced electric rate affordability through the Base Services Charge, a monthly fee that covers certain fixed costs, such as infrastructure maintenance and customer service. This supports affordability for customers and businesses in climate zones reliant on air-conditioning and makes it more affordable to electrify appliances and vehicles.

Within these larger initiatives to promote affordability, the CPUC continues to enact cost controls in multiple ways, including:

- Approving utilities to use more cost-effective self-insurance instead of passing the high market costs of insurance on to ratepayers.
- Approving costs for the undergrounding of power lines only in the highest-threat wildfire areas and not for aesthetic purposes.
- Streamlining permitting for essential energy infrastructure and transmission needs—more efficient permitting can save time and money for companies and ratepayers over the long term.

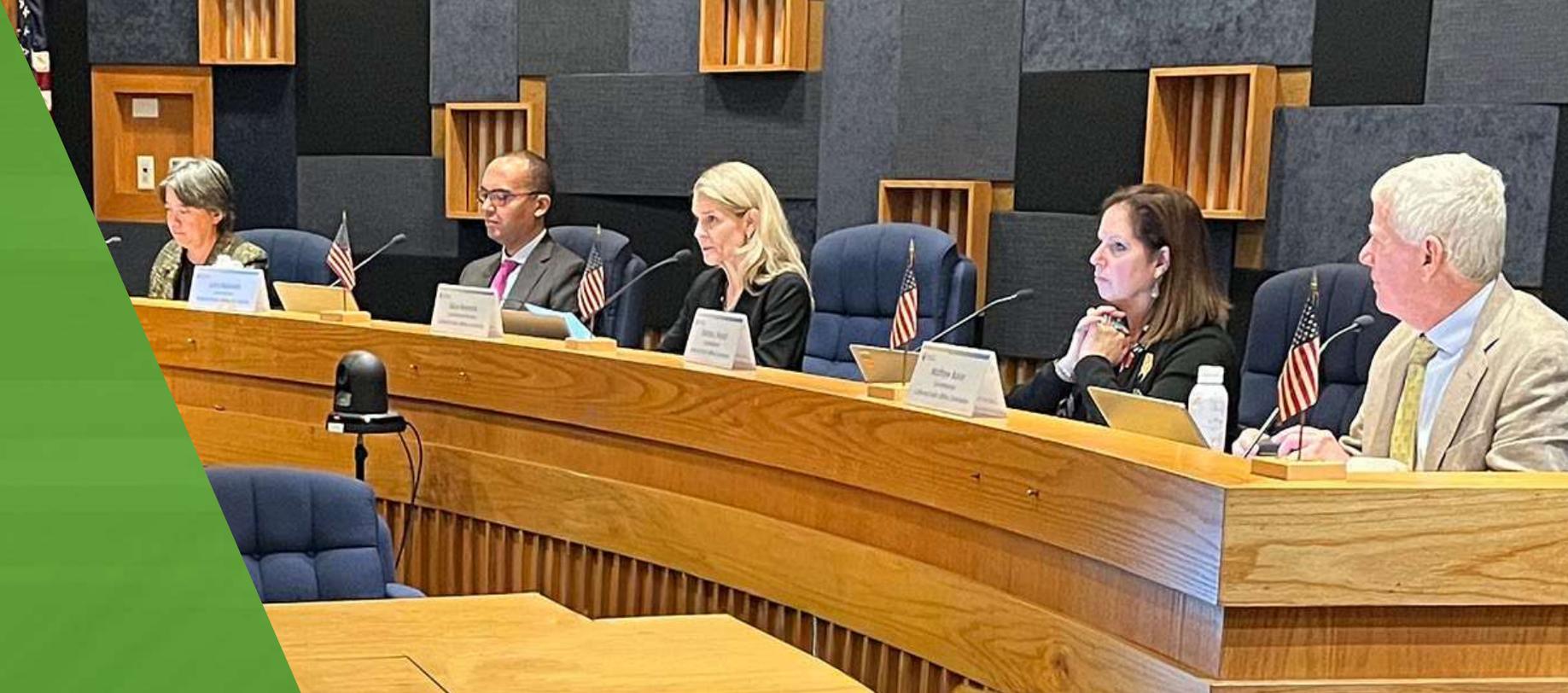
Governor Newsom and the California Legislature enacted the significant 2025 Climate and Affordability Package, AB 825 (Petrie-Norris, 2025) that implements more of the CPUC’s proposals.

- The CPUC will now consider wildfire costs in context of all other costs as part of our transparent public process for each utility’s General Rate Case.
- The CPUC will also lead a public process to examine reallocating the [California Climate Credit](#) to households that need it the most.

To learn more about the drivers of rates today, the CPUC’s [2025 Senate Bill 695 Report to the Legislature](#) provides an analysis of rates and forecasts of rate trends.



*Energy Division staff conduct a site visit at the Ivanpah solar electric generating system, a concentrated solar thermal power plant in San Bernardino County.*



# Informing and Engaging California Customers

In 2025, the CPUC engaged the public and worked to increase public understanding through dozens of public meetings and workshops around the state, briefings to members of the California Legislature, feature stories about our work and our team, and factsheets and website content that explained complex issues. Our goal is to promote a transparent public process—listening to the voices of diverse communities across California, incorporating all relevant data and information into our analysis and making complex regulatory issues more accessible and understandable to the public.

*The CPUC holds public meetings in numerous locations around California each year. From left, at the CPUC Voting Meeting in Bellflower in October 2025: Commissioner Karen Douglas, Commissioner John Reynolds, President Alice Reynolds, Commissioner Darcie L. Houck and Commissioner Matthew Baker.*

The CPUC held 18 Voting Meetings statewide in 2025, in locations such as San Francisco, Sacramento, Santa Clara, North Lake Tahoe and Bellflower. We provide Spanish language interpretation at all Voting Meetings and ASL interpretation upon request.

The CPUC also held over 60 Public Participation Hearings across the state. These public meetings provided an outlet for community members, advocacy groups and industry stakeholders to voice concerns, ask questions and provide input on key decisions affecting utility services. In 2025 alone, the CPUC heard over 1,700 public comments at these meetings, with well over 7,000 people attending virtually or in-person. This level of public involvement is critical in ensuring that regulatory decisions reflect the diverse needs and priorities of California's residents.

### Connecting with Tribes

In 2025, the CPUC held two workshops to share information and solicit input from California Native American Tribes on telecommunications services and utility infrastructure development.

In April, the CPUC hosted a workshop in Middletown to discuss potential updates to the Carrier of Last Resort rules, which provide a framework for universal access to essential telecommunications services across the state. During the workshop Tribal, rural and public safety stakeholders shared their perspectives to inform rulemaking in 2026.

In September in Blue Lake, the CPUC held a joint workshop with the Bureau of Indian Affairs focused on utility infrastructure development on Tribal lands. During the workshop, participants shared the permitting and rights-of-way challenges faced by Tribal governments in facilitating electric, gas and broadband infrastructure projects and participants discussed potential future solutions.



**In 2025, the CPUC held 18 Voting meetings and over 60 Public Participation Hearings across the state. The CPUC's Commissioners heard over 1,700 public comments at these meetings, with well over 7,000 people attending virtually or in-person.**

*CPUC Administrative Law Judge Charles Ferguson and Victor Smith, Interim Chief of Staff to Commissioner Darcie L. Houck listen to community members during the SoCalGas Hydrogen Blending Pilot public hearing in Irvine, California, in July 2025.*

## Voting Meeting Calendars 2025–2026

### 2025 Voting Meetings

January 16 – San Francisco  
January 30 – Sacramento  
February 20 – Sacramento  
March 3 – Santa Clara  
April 3 – San Francisco  
April 24 – Sacramento  
May 15 – Kings Beach  
June 12 – Sacramento  
June 26 – Sacramento  
July 24 – San Francisco  
August 14 – Sacramento  
August 28 – San Francisco  
September 18 – San Francisco  
October 9 – Bellflower  
October 30 – Sacramento  
November 20 – San Francisco  
December 4 – San Francisco  
December 18 – Sacramento

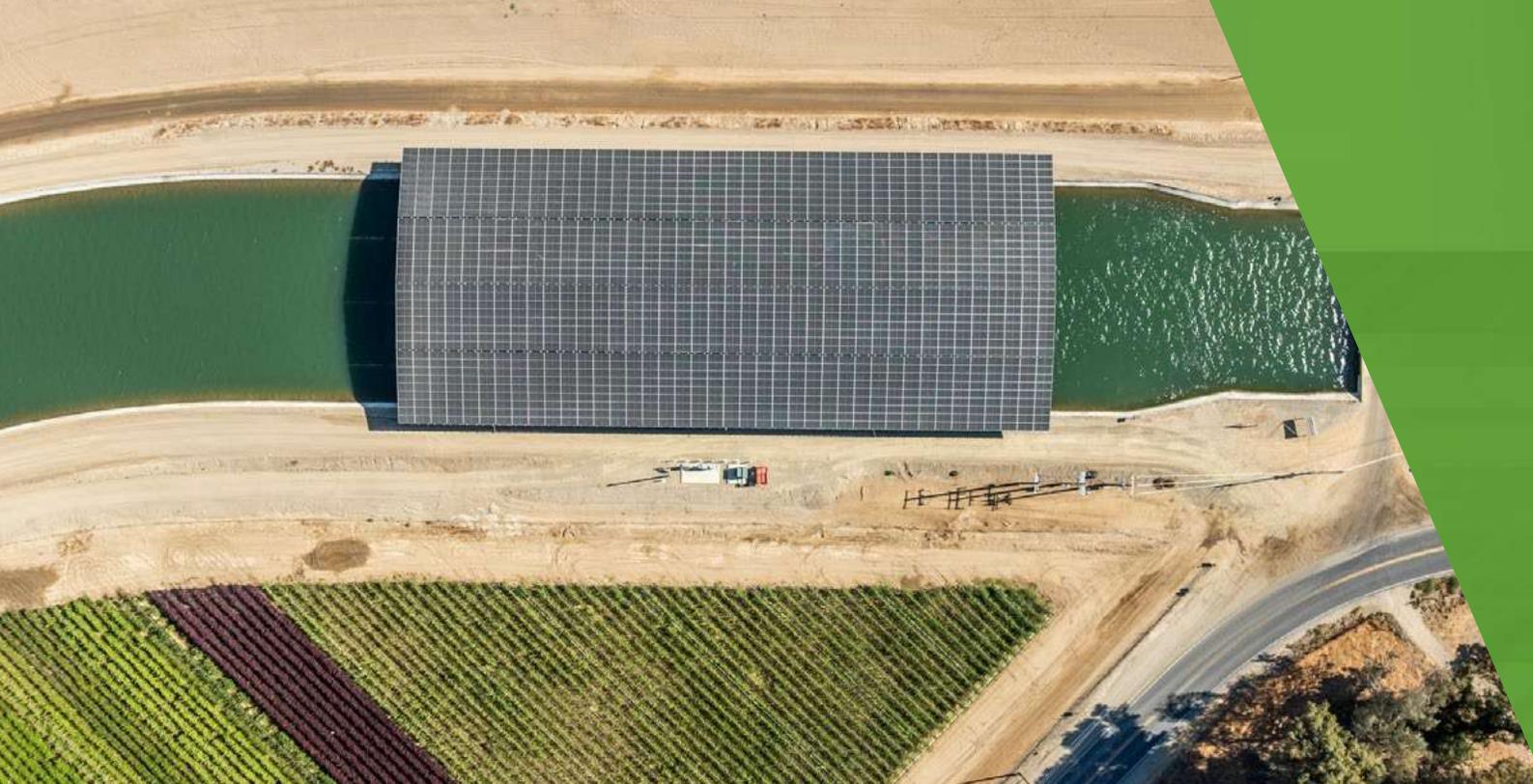
### 2026 Voting Meetings

January 15 – San Francisco  
February 5 – Sacramento  
February 26 – Travel Meeting  
March 19 – Sacramento  
April 9 – San Francisco  
April 30 – San Francisco  
May 14 – San Francisco  
June 11 – Sacramento  
July 2 – Travel Meeting  
July 16 – San Francisco  
August 13 – San Francisco  
September 3 – Sacramento  
September 17 – Travel Meeting  
October 8 – Sacramento  
October 29 – San Francisco  
November 19 – Sacramento  
December 3 – Sacramento  
December 17 – San Francisco

## Reaching Out for Clean Energy and Supplier Diversity

In 2025, the CPUC’s grant program, Clean Energy Access: Los Angeles TECH, awarded \$1.3 million to eight grant recipients in Los Angeles County to conduct education, outreach and direct assistance to increase building decarbonization. Clean Energy Access is a competitive grant program open to community-based organizations to promote more understanding and implementation of building decarbonization and electrification options.

The CPUC’s General Order (GO) 156 Supplier Diversity program achieved \$13.1 billion in utility spending with diverse suppliers in the past year. This real economic impact means that over 4,200 California businesses successfully competed to deliver needed goods and services to entities regulated by the CPUC. Throughout 2025, the CPUC invested in outreach and supplier capacity-building initiatives, hosting two Small and Diverse Business Expos with more than 500 attendees each and supporting business owner mentoring programs.



# 2026 Work Plan

In 2026, the CPUC will continue its mission of empowering California through access to safe, clean and affordable utility services and infrastructure. The proceedings and actions listed here span the industries the CPUC regulates and show the numerous steps the CPUC will take to achieve California’s vision of an innovative, inclusive economy in which all Californians can thrive.

*University of Merced’s “Project Nexus” pilot program, consisting of solar panels covering Turlock district irrigation canal.*

## Communications

### **Emergency Preparedness and Resiliency (R.25-07-014)**

The CPUC will be reviewing the Communications Emergency Preparedness and Network Resiliency Program, which requires providers to have 72-hour backup power in High Fire Threat Districts, and will consider whether the CPUC should design and implement an enforcement mechanism for non-compliance, what data and reporting methods should be required or modified, and whether the backup power and resiliency requirements should be extended beyond HFTD Tier 2 and Tier 3 areas. The CPUC will prepare a proposal for consideration in the proceeding in 2026.

### **Broadband, Equity, Access and Deployment Program (R.23-02-016)**

The CPUC, through the Broadband, Equity, Access and Deployment (BEAD) Program, will administer last-mile broadband grants awarded following the National Telecommunications and Information Administration's (NTIA's) approval of the CPUC's final proposal. In 2026, the CPUC will work to resolve any follow-up requests from NTIA. After NTIA approves California's final proposal, CPUC staff will work with awardees to finalize grant agreements in summer 2026. Then CPUC staff will conduct environmental quality and historic preservation reviews of subgrantee projects. Once approved, awardees will begin construction activities.

### **California LifeLine (R.20-02-008)**

The CPUC will offer a subsidy for home broadband service through its LifeLine pilot program (Decision 25-08-050) in January 2026. The pilot will offer up to \$20 for qualified standalone home broadband service and \$30 for bundled broadband and voice service. The CPUC is also considering changes to the specific support amount available through

LifeLine to wireline and wireless providers, which is temporarily frozen at \$19 per month (Decision 24-12-006). This consideration may occur in a successor rulemaking.

### **Carrier of Last Resort (R.24-06-012)**

The CPUC will request comments on a staff proposal on Carrier of Last Resort (COLR) rules with the aim of having a proposed decision ready for comment later in 2026.

## Energy

### **Application of Pacific Gas & Electric for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2027 (A.25-05-009)**

On May 15, 2025, Pacific Gas & Electric (PG&E) filed its 2027 general rate case application covering years 2027-2030. PG&E is requesting a revenue requirement increase of \$1.237 billion, or 8 percent in 2027, in comparison to 2026, and annual increases of 6.1 percent for each of the attrition years 2028-2030. This includes both gas and electric service investments for wildfire mitigation, load growth and reliability. The CPUC is scrutinizing this application and taking input from the public and stakeholders with a final decision slated for 2026.

### **Order Instituting Rulemaking to Improve the California Climate Credit (R.25-07-013)**

Since 2014, customers of California electric and gas investor-owned utilities have received over \$17.8 billion of direct on-bill assistance. Through this rulemaking, the CPUC will implement the requirements of Assembly Bill 1207 (Irwin, 2025) to use the Climate Credit going forward through 2045 to maximize customer electric bill affordability by providing the credit in high-billed months. The CPUC will also explore other ways to modify the eligibility and methods used for the Climate Credit to support greater electric bill affordability for ratepayers.

The CPUC will work with stakeholders to provide requirements for improved outreach to ratepayers.

#### **Order Instituting Rulemaking to Enhance Demand Response in California (R.25-09-004)**

In Rulemaking 25-09-004, the CPUC will evaluate and enhance the consistency, predictability, reliability and cost-effectiveness of demand response resources. In 2026, the CPUC will accomplish this enhancement by updating the demand response guiding principles, policies and data system and process requirements.

#### **Order Instituting Rulemaking to Update Distribution Level Interconnection Rules and Regulations (R.25-08-004)**

In 2025, the CPUC opened Rulemaking 25-08-004 to update and improve Rule 21 and associated interconnection procedures. Over the past several years, the distributed energy resource technology landscape in California has changed substantially, with new technology configurations—especially related to battery storage and electric vehicles—evolving to much greater commercialization. Through this proceeding, the CPUC plans to update and improve interconnection procedures concerning the safety and reliability of the electric grid, promote greater transparency and certainty around interconnection processes, and to contain costs for all ratepayers.

#### **Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future (R.21-06-017)**

CPUC staff will implement reforms to the annual utility distribution planning process to enable more proactive planning of electric distribution capacity to accommodate higher electric demand from electrification while safeguarding against excessive impacts to ratepayer costs. In 2026, the CPUC will consider adopting new frameworks to enable utilities to leverage flexible capacity for a high penetration of

distributed energy resources to provide critical grid services, including reliability support, outage mitigation, infrastructure deferral and facilitating energization for electrification.

#### **Application of Pacific Gas & Electric for Approval of Electric Rule No. 30 for Transmission-Level Retail Electric Service (A.24-11-007)**

Pacific Gas & Electric (PG&E) is proposing Rule 30 to provide standardized agreements to connect large customer loads, such as data centers, seeking retail service at the transmission level. Decision 25-07-039 allows PG&E to proceed with a temporary Rule 30 framework. In 2026, the CPUC will consider cost allocation and ratepayer protections to promptly connect these large loads.

#### **Order Instituting Rulemaking to Establish Energization Timelines (R.24-01-018)**

In the first quarter of 2026, the CPUC will consider a proposed decision on Flexible Service Connections as bridging solutions for necessary capacity upgrades to connect customers to the grid more quickly, also known as energization. The CPUC will continue to monitor utility data collection on their energization timelines and evaluate the data for compliance.

#### **Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs and Evaluation (R.25-04-010)**

**Multifamily Energy Efficiency.** Rulemaking (R.) 25-04-010 is the venue for the CPUC's oversight of energy efficiency programs. The CPUC opened the proceeding in July 2025 and it follows the most recent energy efficiency rulemaking (R.13-11-005). In Decision (D.) 25-08-034 the CPUC adopted goals for ratepayer-funded energy efficiency portfolios for 2026-2037. At the end of 2025, the CPUC held a workshop to present stakeholder feedback and recommendations

on how to better enable multifamily energy efficiency offerings in ratepayer-funded programs. In 2026, the CPUC will consider options for action, such as a staff proposal and modifications to existing energy efficiency definitions.

**Reducing Natural Gas Use.** The rulemaking will also address issues to support affordability such as cost effectiveness and shifting incentives. The CPUC will issue a staff proposal for stakeholder input addressing incentives for measures that reduce natural gas use when a viable electric alternative is available. This staff proposal builds upon Decision (D.) 23-04-035, which began phasing out ratepayer funded incentives for some natural gas efficiency measures to align with California’s clean energy goals. The CPUC expects to issue a proposed decision in 2026.

**Community Choice Aggregators.** The CPUC also will issue a staff proposal for stakeholder input on modifications to the budget methodology for Community Choice Aggregators that administer energy efficiency programs, pursuant to Public Utilities Code Section 381.1(e)-(f). The CPUC expects to issue a proposed decision adopting an updated standard budget methodology in the second quarter of 2026. There may also be other aspects of Community Choice Aggregator portfolio and/or program administration rules that require refinement in the proceeding.

**Application of San Diego Gas & Electric, Pacific Gas & Electric, Southern California Edison and Southern California Gas for Approval of Low-Income Assistance Programs and Budgets for Bridge Funding for Program Year 2027 (A.25-06-022, et. al.)**

The CPUC issued staff guidance in late 2024 to enhance income-qualified programs like the Energy Savings Assistance program. As part of this, the four large investor-owned utilities submitted applications in 2025 to provide program budgets, goals and design for bridging 2027

low-income assistance programs. The CPUC expects to issue a decision mid-2026. The applications continue implementation of the Energy Savings Assistance, California Alternate Rates for Energy and Family Electric Rate Assistance energy efficiency and rate discount programs beyond the current 2021-2026 program cycle.

**Order Instituting Rulemaking to Establish Policies, Processes and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning (R.24-09-012)**

The CPUC expects to establish the Senate Bill 1221 (Min, 2024) voluntary neighborhood decarbonization pilot program by July 2026. The CPUC may address other interim and long-term gas planning actions to support the gas transition in the second half of the year.

**Order Instituting Investigation on the Commission’s Own Motion Into Natural Gas Prices During Winter 2022-2023 and Resulting Impacts to Energy Markets (I.23-03-008)**

The CPUC expects to issue a proposed decision in early 2026 addressing the high gas and electricity prices of winter 2022-23 and potential mitigations against future prices spikes.

**Application of Pacific Gas & Electric for Review of the Disadvantaged Communities—Green Tariff, Community Solar Green Tariff and Green Tariff Shared Renewables Programs [Now Consolidated with A.22-05-022, A.22-05-023 and A.22-05-024] (A.22-05-022)**

Pursuant to Assembly Bill 2316 (Ward, 2022) and Public Utilities Code Section 769.3, the CPUC reviewed Community Solar programs including the Disadvantaged Communities Green Tariff (DAC-GT), Community Solar Green Tariff (CSGT), Enhanced Community Renewables (ECR) and Green Tariff (GT) programs. In a May 2024 decision, after a lengthy evaluation of a variety of program designs, the CPUC discontinued its CSGT and ECR programs, expanded

and improved the DAC-GT and GT programs, and launched a new Community Renewable Energy (CRE) Program that avoids shifting costs to non-participating ratepayers. The CPUC will finalize implementation details of the Modified GT and CRE Program in a second decision expected in 2026.

**Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules and Related Enforcement Provisions (R.13-02-008)**

In 2026, the CPUC anticipates adopting a decision finalizing the Renewable Gas Procurement Plans submitted by California's four large gas investor-owned utilities. This decision may also consider various policy-related changes intended to increase competition and reduce costs in the biomethane sector.

**Application of Southern California Gas, San Diego Gas & Electric, Pacific Gas & Electric and Southwest Gas to Establish Hydrogen Blending Demonstration Projects (A.22-09-006)**

In 2026, the CPUC anticipates deciding whether to approve any of the five pilot projects proposed by California's large gas investor-owned utilities for hydrogen blending in segments of the existing gas pipeline network.

**In the Matter of the Application of Southern California Gas for Authorization to Recover Costs Recorded in Its Angeles Link Memorandum Account (A.25-06-011)**

In 2026, the CPUC anticipates deciding whether to allow Southern California Gas to recover costs related to feasibility studies for the Angeles Link Project, a proposed hydrogen pipeline network in Southern California.

**Order Instituting Rulemaking on Customer-Generated Renewables for Priority Communities (R.25-01-005)**

Through Rulemaking 25-01-005, the CPUC will comprehensively review and update several customer-generated renewables programs and tariffs targeted at priority and disadvantaged communities. This includes modifying the Solar on Multifamily Affordable Housing Program, considering changes to the Disadvantaged Communities Single Family Affordable Solar Homes Program, enhancing oversight of the Renewable Energy Self Generation Bill Credit Transfer Program and examining and updating program and tariff structures offered by small multi-jurisdictional utilities.

**Application of Southern California Edison for Approval of Large Power Dynamic Pricing Rate [Now Consolidated with A.24-12-008] (A.24-06-014)**

In 2026, the CPUC will decide on Southern California Edison's application seeking authority to offer its proposed Large Power Dynamic Pricing Rate and Marginal Cost-Based Dynamic Pricing Rates.

**Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues (R.20-05-012)**

In 2026, CPUC staff will oversee three primary areas: (1) overseeing implementation of a decision that establishes the conditions for returning ratepayer funds and closing out all activities related to the ratepayer-funded portion of the Self-Generation Incentive Program; (2) overseeing the portion of the decision that implements the Greenhouse Gas Reduction Fund portion of the Self-Generation Incentive Program that funds battery storage and solar for low-income California residents, as well as the conditions for its closure in 2028; and (3) development

of a staff proposal for successor program design based on optimal grid benefits and customer and non-participant benefits.

#### **Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure (R.23-12-008)**

In early 2026, the CPUC will consider party comments submitted in response to the Transportation Electrification Proactive Planning work products with a decision expected in late 2026. The CPUC will also continue to address other transportation matters in 2026, including submetering and the efficacy of the Electric Vehicle Infrastructure Rules.

#### **Order Instituting Rulemaking to Continue Oversight of Electric Integrated Resource Planning and Procurement Processes (R.25-06-019)**

Rulemaking 25-06-019 will be the new venue for the CPUC's oversight over the Integrated Resource Planning (IRP) process. The IRP process is the means by which the CPUC identifies a diverse and balanced electricity portfolio that can integrate renewable energy in a cost-effective manner, and considers individual integrated resource plans from all load-serving entities, pursuant to Public Utilities Code sections 454.51 and 454.52. Through this proceeding, the CPUC will determine near-term reliability needs and order procurement if necessary, develop portfolios for transmission planning, perform reliability analyses, monitor and enforce existing procurement orders, and implement the programmatic successor to current procurement orders.

#### **SoCalGas Application to Implement Biennial Aliso Assessment**

In 2026, the Southern California Gas (SoCalGas) will submit an application that asks the CPUC to review the recommendation made by staff in the 2025 Aliso Canyon Biennial Assessment Report as well as any recommendation the utility may have. SoCalGas and parties may submit independent analysis into the record that will elaborate

on the CPUC's analytical results, and the CPUC will decide whether to adopt the application. During the proceeding on the application, the CPUC will also be able to review or revise the process for future Biennial Assessment studies in 2027 and beyond.

#### **Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements and Establish Forward Resource Adequacy Procurement Obligations (R.25-10-003)**

In 2026 and 2027, through Rulemaking 25-10-003, the CPUC will address Resource Adequacy (RA) requirements and program refinements for the 2027 and 2028 RA compliance years. The proceeding will consider adoption of Local and Flexible Capacity Requirements, potential modifications to the Planning Reserve Margin for 2028, resource accreditation methodologies for long-duration storage and solar and wind resources, continued development of the Unforced Capacity Framework for installed capacity available after a generating unit's forced outage rate is taken into account, and ongoing RA program refinements. The CPUC will also address evaluation of transactability issues under the Slice of Day Framework, and coordination with the Integrated Resource Planning proceeding on the development of the Reliable Clean Power Procurement Program, in this proceeding.

#### **Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program (R.24-01-017)**

For Rulemaking 24-01-017, an assigned CPUC Commissioner and assigned Administrative Law Judge will issue a ruling to identify issues and a schedule of review for the 2026 Renewables Portfolio Standard (RPS) procurement plans of all retail sellers. Toward the end of 2026 the CPUC will vote on a proposed decision that conditionally adopts or accepts 2026 RPS procurement plans.

**Order Instituting Rulemaking to Consider Strategies and Guidance for Climate Change Adaptation (R.18-04-019)**

In 2026, the CPUC will consider a staff proposal informed by stakeholder workshops held in Irvine, Los Angeles and San Francisco in 2024 and 2025. The staff proposal will recommend refinements to the Climate Adaptation Vulnerability Assessment process along with requirements to measure equity impacts within climate adaptation planning in alignment with the Commission's Environmental and Social Justice Action Plan and other relevant equity frameworks. This staff proposal and party comments will inform a subsequent proposed CPUC decision.

**Order Instituting Rulemaking on the Commission's Own Motion to Consider Renewal of the Electric Program Investment Charge Program (R.19-10-005)**

The assigned CPUC Commissioner to the Electric Program Investment Charge (EPIC) proceeding, Rulemaking 19-10-005, is expected to release a proposed decision in early 2026 that will set strategic objectives to guide EPIC 5 (2026-2030) investment plan applications; determine whether the investor-owned utilities (IOU) continue in their current capacity as administrators for the EPIC 5 investment cycle; consider the findings and recommendations of the 2024 Second Independent EPIC Evaluation; and clarify intellectual property terms for IOU EPIC administrators.

**Application of Pacific Gas & Electric to Recover in Customer Rates the Costs to Support Extended Operation of Diablo Canyon Power Plant from January 1 through December 31, 2026, and for Approval of Planned Expenditure of 2026 Volumetric Performance Fees (A.25-03-015)**

Senate Bill (SB) 846 (Dodd, 2022) extended operations of the Diablo Canyon Nuclear Power Plant (DCPP) through 2030 and required that

Pacific Gas & Electric (PG&E) submit an annual forecast application to recover costs and expenses to operate the plant net of energy market revenues earned by the plant and any related production tax credits earned by the operator. While PG&E submits the application, SB 846 requires that DCPP costs be paid through a non-bypassable charge by customers of all load-serving entities subject to CPUC jurisdiction. PG&E submitted Application 25-03-015 in March 2025 to pay for DCPP operations in 2026; similarly, PG&E will submit a new forecast application in March 2026 to recover DCPP operation costs in 2027. Changes to the non-bypassable charge resulting from the cost recovery application filed in 2025 are expected to go into effect on January 1, 2026. Additionally, in the first quarter of 2026, PG&E will submit a Tier 3 advice letter to reconcile the difference between the forecast and actual DCPP 2025 operating costs.

**Petition of the City and County of San Francisco for a Valuation of Certain Pacific Gas & Electric Property Pursuant to Public Utilities Code Sections 1401-1421 (P.21-07-012)**

Petition 21-07-012 seeks to set a valuation for certain public utility property of Pacific Gas & Electric to provide electricity services in San Francisco in connection with the City's intent to acquire said property for municipalization. The CPUC issued guidelines and required information for testimony in 2025. Parties will submit respective testimony in 2026 to support a resolution of this application in 2026.

**Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes (R.25-02-005)**

Rulemaking 25-02-005 considers reforms to the Power Charge Indifference Amount, Market Price Benchmark (MPB) and Energy Resource Recovery Account proceedings. In Decision 25-06-049, the CPUC adopted changes to the calculation of the Resources Adequacy

MPB. CPUC staff will organize one or more workshops in 2026, summarize party comments and prepare analysis to support a range of issues.

#### **OIR to Extend Wildfire Fund NBC Under SB 254**

In accordance with Senate Bill 254 (Becker, 2025), the CPUC will initiate a rulemaking in 2026 to consider extending the Wildfire Fund Non-Bypassable Charge (NBC) through 2045, including the non-bypassable customer charge and \$300 million annual investor-owned utility contributions, with allocation and participation rules defined under Public Utilities Codes 3298–3299. The CPUC will address procedures for catastrophic wildfire claims between 2025 and the bill’s effective date (e.g., Eaton Fire), including potential securitization if the Wildfire Fund cannot cover costs, as well as additional contributions if needed to maintain the fund.

#### **In the Matter of the Application of Southern California Edison for a Certificate of Public Convenience and Necessity to Construct Electrical Facilities With Voltages Over 200 kV: Eldorado–Pisgah–Lugo Transmission Line Rating Remediation Project (A.23–04–009)**

In 2026, the CPUC will consider Southern California Edison’s request for a Permit to Construct the El Dorado Pisgah Lugo project. The CPUC anticipates environmental review by federal agencies in 2026 and 2027, in addition to the CPUC’s California Environmental Quality section review.

#### **In the Matter of the Application of Southern California Edison for a Permit to Construct Electrical Facilities With Voltages Between 50 kV and 200 kV: Control–Silver Peak Project (A.21–08–009)**

The Control-Silver Peak Project is intended to remediate physical clearance discrepancies identified on some of Southern California

Edison’s existing 55 kilovolt (kV) subtransmission lines. The CPUC will continue preparation of the environmental document in 2026, and a final decision regarding this application is expected in late 2026.

#### **Application of LS Power Grid California, LLC, for a Certificate of Public Convenience and Necessity Authorizing Construction of the Power Santa Clara Valley Project (A.24–04–017)**

The Power Santa Clara Valley Project, by LS Power Grid California, LLC (LSPGC), would involve the construction and operation of two new high-voltage direct current (HVDC) terminals and associated new transmission lines. The new transmission lines would include an approximately 13-mile Grove to Skyline 320 kV direct current underground transmission line connecting the southern terminal (the proposed new Grove terminal), to the northern terminal (the proposed new Skyline terminal). The project would connect to Pacific Gas & Electric’s San Jose B Substation and Metcalf Substation. The project was identified in the California Independent System Operator’s (CAISO) 2021-2022 Transmission Planning Process as a reliability project for the CAISO-controlled grid and was referred to by CAISO as the Metcalf-San Jose B HVDC project. The CPUC will consider whether to grant a certificate of public convenience and necessity and to adopt the environmental impact report for the project. If the project is approved, the CPUC will monitor and enforce environmental compliance during the construction of the project, expected to begin in 2026.

#### **Application of LS Power Grid California, LLC, for a Certificate of Public Convenience and Necessity Authorizing Construction of the Power the South Bay Project (A.24–05–014)**

The Power the South Bay Project, by LS Power Grid California, LLC, would involve the construction and operation of a new 230 kV alternating current transmission line, which would connect the existing Pacific Gas & Electric Newark 230 kV substation and the existing Silicon

Valley Power Northern Receiving Station 230 kV Substation. The project was identified in the California Independent System Operator's (CAISO) 2021-2022 Transmission Planning Process (TPP) as a reliability project for the CAISO-controlled grid and was referred to by CAISO as the Newark—NRS 230 kV project. The new transmission line would be approximately 12 miles in length and would be a combination of both overhead and underground lines in the cities of Fremont, Milpitas, San José and Santa Clara, and Alameda and Santa Clara counties. During the first half of 2026, the CPUC will consider whether to grant a certificate of public convenience and necessity and to adopt the environmental impact report for the project. If the project is approved, the CPUC will monitor and enforce environmental compliance during the construction of the project, expected to begin in 2026.

**Application of Pacific Gas & Electric for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Northern San Joaquin 230 kV Transmission Project (A.23-09-001)**

The Northern San Joaquin 230 kV Transmission Project is a reliability project submitted by Pacific Gas & Electric (PG&E) to construct a new 230 kV transmission line between PG&E and Lodi Electric Utility facilities. In 2026, the CPUC will consider whether to grant a certificate of public convenience and necessity and to adopt the environmental impact report for the project. A final decision is expected in the second quarter of 2026.

**Application of Pacific Gas & Electric for a Permit to Construct the Moraga–Oakland X 115 kV Rebuild Project Pursuant to General Order 131-D (A.24-11-005)**

The Moraga–Oakland X 115 kV Rebuild Project is a critical reliability project by Pacific Gas & Electric that would upgrade approximately

five miles of overhead 115 kV subtransmission lines between Moraga Substation and Oakland X Substation. The project would be within the jurisdictions of Orinda, Oakland and Piedmont. In early 2026, the CPUC will consider whether to grant a permit to construct and certify the environmental impact report for the project. If the project is approved, the CPUC will monitor and enforce environmental compliance during the construction of the project, expected to begin in 2026.

**In the Matter of the Application of Southern California Edison for a Certificate of Public Convenience and Necessity for the Alberhill System Project [Deconsolidated from A.07-01-031 and A.07-04-028] (A.09-09-022)**

The Alberhill System Project is a critical reliability project proposed by Southern California Edison that would involve the construction of a new 500 kV Alberhill Substation, loop-in to the existing Serrano-Valley 500 kV transmission line, and improvements to the subtransmission system currently served by the Valley South Substation in the Lake Elsinore, Canyon Lake, Perris, Menifee, Murrieta, Hot Springs, Temecula and Wildomar areas. In early 2026, the CPUC will consider whether to grant a certificate of public convenience and necessity for the project. If approved, the CPUC will monitor and enforce environmental compliance during the construction of the project in 2026.

**In the Matter of the Application of Horizon West Transmission, LLC, for a Certificate of Public Convenience and Necessity for the Ironwood Transmission Line Project (A.25-09-008)**

The proposed Ironwood Project is an 86-mile 500 kilovolt kV transmission line that would connect San Diego Gas & Electric's Imperial Valley Substation to Arizona Public Service Company's North Gila Substation in Yuma, Arizona. The CPUC will prepare an environmental impact report for the project in 2026.

## Rail

### Revision to CPUC General Order 143-B Governing Rail Transit Agencies in California.

In 2026, the CPUC plans to open a rulemaking to revise and update General Order 143-B, titled “Safety Rules and Regulations Governing Light-Rail Transit.”

### Risk-Based Inspection Program for Rail Transit Safety Branch

Pursuant to Federal Transit Administration’s (FTA) direction, in 2026, the CPUC will continue modifying its existing rail transit inspection program to a more risk-based inspection program. In 2024, FTA approved CPUC’s Risk-Based Inspection (RBI) program plan. In November 2025, the CPUC submitted documentation to FTA demonstrating implementation of the approved RBI program for at least six months, as required by FTA. The FTA will review the implementation information and data and provide final acknowledgement.

### Administration of Federal Transit Administration Grant

In 2026, the CPUC will continue to apply for and administer annual Federal Transit Administration (FTA) grants for funding up to 80 percent of the cost of the CPUC’s program for overseeing the safety of FTA-funded rail transit agencies. In August 2025, the FTA awarded CPUC the latest grant in the amount of \$6.81 million. Since 2015, FTA has awarded the CPUC a total of \$54.3 million in these grants.

### Oversight of Capital Projects

The CPUC will continue its oversight over the approximately 30 major active capital projects. There are several additional projects in the environmental review phase that are projected to come under CPUC safety oversight starting in 2026.

### Autonomous Vehicles and Rail Crossings

As the agency with exclusive jurisdiction over all rail crossings in the state, CPUC will continue to support the California Department of Motor Vehicles and the California State Transportation Agency by providing expert input on rail crossing safety in relation to autonomous vehicles (AV) operations. Staff will maintain active engagement with other interested state agencies and stay informed on emerging trends and policy developments.

### High Speed Rail

California is home to the first high speed rail projects in the U.S. In 2026, the CPUC will continue its collaboration and safety oversight of the two high speed rail projects in the state. CPUC’s planned activities include communicating with high-speed rail projects personnel, reviewing rail crossing applications, and inspecting completed projects for compliance with state and federal safety standards.

### California High-Speed Rail Project

The CPUC will continue its collaboration with the California High-Speed Rail Authority to support the ongoing development of the state’s high-speed rail system. The CPUC’s planned activities include communicating with California High-Speed Rail Authority, reviewing rail crossing applications, providing guidance on regulatory filings, resolving applications in CPUC proceedings, and inspecting completed projects for compliance with state and federal safety standards.

### Brightline West High-Speed Rail

The CPUC will continue to provide safety oversight to the Brightline West High-Speed passenger rail project as part of California’s long-term transportation goals. The CPUC’s work will include reviewing proposed designs for the more than 30 remaining crossings that require

CPUC authorization. The CPUC will also prepare and present draft resolutions for approval to authorize new crossings, ensuring that all safety, engineering and regulatory standards are met.

## Transportation

### **Clean Miles Standard Program (R.21-11-014)**

In 2026, the CPUC anticipates addressing Phase 2 issues and modifications to the Phase 1 Clean Miles Standard Program decision, including enforcement, optional credits for meeting California's greenhouse gas emissions target for Commission-regulated transportation providers, and incentives for zero-emission vehicle rentals. The CPUC also anticipates a resolution to establish the first Implementation Plan and Handbook for the Drivers Assistance Program for transportation network company drivers transitioning to zero-emission vehicles.

### **Autonomous Vehicle Passenger Services (R.25-08-013)**

In 2026, the CPUC anticipates resolving issues described in the Order Instituting Rulemaking of the autonomous vehicle passenger service proceeding. The preliminary scope of issues includes partnerships and emerging business model configurations, operations, and program requirements and administration.

### **Transportation Network Company Access for All Program (R.19-02-012)**

In 2026, the CPUC anticipates a staff proposal and decision on remaining open issues for the Access for All Program to expand wheelchair accessible vehicle services by transportation network companies. The final decision will mark the closing of the proceeding, which is anticipated in 2026.

### **Transportation Network Company General Oversight**

In 2026, the CPUC will continue to oversee the collection and analysis of data from Transportation Network Companies, including the required submission and posting of public annual reports. The CPUC will provide updates on uninsured and underinsured motorist claims to the California State Legislature, as required by Senate Bill 371 (Cabaldon, 2025).

## Water

### **Small Water Section**

#### **Union Pacific Railroad – Keene Water System (A.25-03-016/A.25-03-017)**

The consolidated application from Union Pacific Railroad doing business as Keene Water System requests both a General Rate increase and withdrawal of service as a water utility. In Application 25-03-017, Keene states the requested rate increase demonstrates the challenges it faces delivering water in and around the community of Keene in Kern County. The CPUC expects to hold a Public Participation Hearing the first quarter of 2026, and evidentiary hearings later in the year.

#### **California Hot Springs (C.25-05-005)**

The complaint, filed by Ikigai Hot Springs against California Hot Springs Water and Sewer Company, raises issues of operational and safety concerns, as well as issues of financial and regulatory responsibility following a potentially unauthorized transfer. The CPUC expects to issue a decision in 2026.

#### **Havasu Water Company (I.25-08-007)**

The CPUC issued an order-instituting investigation into the operations, maintenance and practices of Havasu Water Company (Havasu)

for failure to comply with the California laws, rules and regulations in providing a safe and reliable water service. A proposed decision is expected in 2026.

## Large Water Section

### **California Water Service Company (A.24-07-003)**

California Water Service Company's General Rate Case application requests rate changes to be effective beginning on January 1, 2026. The application is expected to be decided in early 2026.

### **California-American Water Company (A.25-07-003)**

California-American Water Company's General Rate Case application is for authorization of rates for water and wastewater services in 2027, 2028 and 2029. The CPUC is reviewing the application.

### **Liberty Utilities' General Rate Case Applications (Park Water and Apple Valley Ranchos Water) (A.24-01-002 et al.)**

Liberty Utilities' General Rate Case applications for Park Water and Apple Valley Ranchos Water are filed for rates to be effective July 1, 2025. The CPUC will consider the applications in 2026.

### **San Gabriel Valley Water Company (A.25-01-001)**

San Gabriel Valley Water Company's General Rate Case application requests authority to increase its rates, effective July 1, 2026. The CPUC has held the rehearing conference and evidentiary hearings and plans to issue a proposed decision in 2026.

### **Acquisition Rulemaking (R.22-04-003)**

Through the acquisition rulemaking, the CPUC will consider updates to policies on water and sewer utility acquisitions and consolidations with a decision expected in 2026.

# Executive Director's Letter

I am writing my fifth and final Executive Director's Letter with this Annual Report.

From 2021 to 2026, the CPUC achieved significant progress toward the statutory criteria set out for the Executive Director, and I provide updates on our 2025 progress below.

Our achievements show what is best about the CPUC: We are driven and innovative, because we implement programs that envision a shared, better future while working within today's realities. We ask: What can we deliver for California? and How can we do it better?

Reading back through our Annual Reports since 2020, you can see that the CPUC's journey mirrors California's:

- As the COVID-19 health emergency affected California and the world, the CPUC regulated the energy, broadband and telecommunications, passenger transportation, rail transportation and water companies under CPUC jurisdiction to maintain their services and prioritize the health and safety of their employees as well as the California communities they serve. We ordered customer protections as a measure of stability for people and families during the pandemic, and phased them out as public health guidelines allowed and economic revitalization took hold.
- We held the electric utilities to account for their inadequate execution of Public Safety Power Shutoffs, penalizing their performance and setting specific criteria and milestones for improvement. While PSPS events





*CPUC leadership celebrated the work of administrative staff during informal meetings over coffee. From left to right top: Jody Holzworth, External Affairs; Raul Alfaro, Reprographics; Carey Thompson, Reprographics; Sandra Garcia, Reprographics; Alfonso Lopez, Fleet and Asset Management; and Joel Pete, Fleet and Asset Management. From left to right bottom: Rachel Peterson, Executive Director; Minh Le, Fleet and Asset Management; Kimberly Yee, Mail Room; JR Sampson, Mail Room; and Josephine Libunao, Executive Staff Manager.*

are still part of California’s wildfire response, the electric utilities are now better managing the scope and duration of each event because of the CPUC’s oversight.

- We penalized Pacific Gas & Electric and Southern California Edison more than \$2 billion, paid by shareholders, for wildfires ignited by their equipment.
- The CPUC has led the way as California has achieved historic firsts in clean energy: 25,000 MW of clean energy procured, built, and delivering clean energy for the state. Our central role is to plan and deliver the reliable, clean energy that is now powering the California economy. As this Annual Report shows, the CPUC has helped place California the path to achieve our state’s goal of 100 percent clean energy by 2045.
- We delivered more than \$1 billion in grants to build high-quality, reliable, affordable broadband internet networks in all 58 California counties. As the projects get built, California will make unprecedented progress toward closing the digital divide.
- The CPUC led California’s first-ever driverless vehicle passenger service deployment, and rescinded permits for companies that failed to meet safety standards.
- We catalyzed new local wheelchair-accessible, on-demand transportation options in cities and counties across California.
- We helped customers by fining natural gas core transport agents and communications companies for improper customer sales and marketing tactics.
- The CPUC oversees safety where trains, trucks, cars, bicyclists and pedestrians intersect. Our rail safety team conducted 18,461 inspections from 2020 through 2024. In addition, between 2020 and 2025 our team completed 3,358 rail-crossing safety assessments involving communications, field inspections, meetings, quiet zone reviews, railroad staff training, diagnostic reviews and Operation LifeSaver presentations.
- The CPUC oversaw the safety of major rail transit expansions in Southern California, and of the private high-speed rail line in construction from Los Angeles to Las Vegas.

- We restored accountability for water utilities under our jurisdiction to make the capital investments needed for safe, clean, reliable water for their customers.
- We stood up emergency response and delivered assistance by the CPUC team and by regulated entities as California experienced lightning storms, wildfires, PSPS events, electricity shortages, winter storms, summer heat waves and drought—all on-the-ground impacts of climate change.
- We grew and professionalized our auditing team, who is now executing dozens of audits annually of energy, telecommunications and water companies to hold them accountable and safeguard ratepayer funds.
- We accomplished the majority of our commitments and actions in the CPUC’s Environmental and Social Justice Action Plan 2.0, building a commitment to equity into the heart of our regulatory work and programs.
- We built an external affairs program that is delivering people-centered stories and public information about the why of CPUC decisions and actions.
- We invested in leaders who are managing their divisions to achieve major policy and workplace goals.
- We vastly improved the CPUC workplace with investments in compliance, training and leadership coaching, diversity, equity and inclusion, new IT tools for collaboration and efficiency, recruitment to slash vacancy rates and risk mitigation.

I am deeply proud of the work by our more than 1,500 team members, and it has been my privilege to serve California in this position.

Sincerely,

*Rachel Peterson*

Rachel Peterson  
Executive Director



*President Alice Reynolds and CPUC Commissioners awarding Rachel Peterson a signed proclamation to recognize her five years of service and tremendous accomplishments as CPUC Executive Director. From left to right: Commissioner John Reynolds, Commissioner Karen Douglas, President Alice Reynolds, Rachel Peterson, Commissioner Matthew Baker and Commissioner Darcie L. Houck.*



*Caption: Rachel Peterson and Chief Deputy Executive Director Forest Kaser meet with Kim Rutledge, Director of the California Department of Rehabilitation, and Victor Duron, Chief Deputy at DOR. The CPUC and DOR jointly implement [California Connect](#), California's signature program providing communications access for Californians with hearing, vision, cognitive, mobility, and speech-related disabilities.*

Pursuant to The Public Utilities Commission Act (Senate Bill 512, Hill, 2016), the CPUC assesses the performance of the Executive Director and the CPUC based on "criteria established in the prior year's Work Plan." The following assesses the Executive Director's performance against the criteria set out in the 2025 Work Plan and the overall performance of the CPUC.

## **Criterion 1:** **Success in executing and continuing progress toward the CPUC's policy and administrative goals**

### **Building Tomorrow Today by Advancing Our Future Through Environmental and Social Justice**

The CPUC crafted a major set of policy and administrative goals when it adopted the CPUC Environmental and Social Justice (ESJ) Action Plan 2.0 in 2022. This year marked a major milestone achieved, as the CPUC completed the plan and published the ESJ Action Plan 2.0 Report. The ESJ Action Plan 2.0 is comprehensive, with nine strategic goals and 94 action items designed to embed ESJ principles into the CPUC's core operations, proceedings, and decision-making.

**Collaborative Origins:** The CPUC developed the ESJ Action Plan 2.0 in partnership with the CPUC's cross-cutting team, community-based organizations, sister state agencies, and the Disadvantaged Communities Advisory Group (DACAG). From the start, the CPUC asked how its regulatory work could improve so that historically underserved, under resourced, and vulnerable communities can access safe, reliable, clean, and affordable utility services.

**Fairness At the Core:** The principle of delivering our regulation of essential utility services to all communities in California is now embedded in the CPUC's actions. Given the breadth, diversity, and continuous nature of the CPUC's regulatory responsibility, embedding fairness in institutional structures can go a long way.

Just a few examples from the last three years of progress include:

- It's now easier for Californians to apply for utility benefit programs because of a unified application system,
- Regulated water utilities are subject to CPUC oversight on their engagement and flexibility with low-income customers,
- California Tribes received CPUC technical and financial assistance to build capacity to become broadband service providers, which a number of Tribes leveraged into building and operating reliable, high-quality broadband networks,
- The CPUC gas safety team is monitoring the safety of gas systems in mobile home parks, and
- The scope of proceedings across all regulated industries now includes asking parties for input on relevant ESJ considerations.

**By The Numbers:** The CPUC has achieved 80 of 94 action items, resulting in 85% plan completion. Seven of the nine strategic goals have surpassed 75% completion, and four divisions completed all their assigned action items: Consumer Protection and Enforcement, External Affairs, Human Resources, and Safety Policy Division. Approximately 15% of action items (14 total) remain in progress or under reassessment due to factors such as resource constraints, a change in priorities, and timelines

to complete regulatory actions. To pass institutional knowledge on to new generations of CPUC employees, we provide an ESJ Action Plan Introduction training as part of the CPUC's new employee onboarding—including ESJ principles, the CPUC's commitments, case studies, and resources.



**How We Got It Done:** From start to finish, the ESJ Action Plan 2.0 was led and guided by the Commissioners, the Executive Director, and senior leadership across the organization. As reported in the 2024 Annual Report, the CPUC has appointed our first-ever Diversity, Equity, and Inclusion Officer, Nancy Diaz, who led completion and report-out of the ESJ Action Plan 2.0 in 2025. Nancy created the Center of Excellence on Diversity, Equity, Inclusion, Accessibility, and Belonging within the CPUC as part of her first-year, and collaborated with ESJ liaisons in each CPUC division established governance structure to implement and monitor the ESJ Action plan.

**Learn More:** The CPUC's [ESJ Action Plan 2.0 Report](#) provides the ESJ framework, key accomplishments, and case studies that illustrate the challenges, implemented solutions, and the measurable impacts achieved.

*Taking a photo break: Nancy Diaz, CPUC Diversity, Equity & Inclusion and Equal Employment Opportunity officer (second from right), led a cross-agency knowledge sharing exercise on the CPUC's Environmental and Social Justice Action Plan and how it is being embedded into day-to-day operations. From left: Noemí Gallardo, California Energy Commission commissioner; Zara Jamshed, CPUC equity analyst; Roman Partida-Lopez, The Greenlining Institute director and senior legal counsel; Nancy Diaz; and Aretha Welch, CPUC Equal Employment Opportunity manager.*



*The CPUC's Senior Leadership Team gathered in Los Angeles in October 2025 to set strategy and measure progress across their 13 divisions. Top row, left to right: Erin Rodriguez, Director, Office of Governmental Affairs; Danjel Bout, Director, Safety Policy Division; Robert Osborn, Director, Communications Division; Terra Curtis, Director, Consumer Protection & Enforcement Division; Rachel Peterson, Executive Director; Pat Tsen, Deputy Executive Director, Safety & Consumer Protection Division; Terence Shia, Director, Water Division; Forest Kaser, Chief Deputy Executive Director; Anton Garabetian, Interim Director, Rail Safety Division; Molly Sterkel, Director, Energy Division. Front row, left to right: Jody Holzworth, Deputy Executive Director, External Affairs Division; Maria Ellis, Director, Broadband Initiatives; Josephine Libunao, Executive Staff Manager; Kerry Fleisher, Director, Energy Division; Kristin Stauffacher, Deputy Executive Director, Office of the Commission; Ana Maria Johnson, Deputy Executive Director, Broadband and Communications Division; Simi Keechilot, Chief Information Officer and Director, IT Division; Nancy Diaz, Diversity, Equity, and Inclusion and Equal Employment Opportunity Officer; Christine Hammond, General Counsel; Liza Dougherty, Director, Human Resources Division; Leuwam Tesfai, Deputy Executive Director for Energy and Climate Policy. Not pictured: Lee Palmer, Deputy Executive Director, Safety Enforcement, Safety Policy & Water; Terrie Prosper, Director, Strategic Communications; Angie Williams, Director, Utility Audits & Risk and Compliance Division.*

## Improving Utility Customer Support

The Consumer Affairs Branch (CAB) serves as the CPUC's primary point of contact for consumers filing informal complaints against regulated utilities, including electric and gas utilities, telecommunications providers, and passenger transportation companies. 2025 saw the results of a multi-year investment in the CAB team's capacity—yielding improved, more efficient customer service, reduced case turnaround times, and expanded professional growth opportunities for the CAB team. Key highlights include:

- **Launchpad for staff development and advancement:** In 2025, 33% of CAB staff competed for and received promotions. This workforce investment initiative, a focus of CPUC executive leadership, forms a pillar of the CPUC's workplace diversity, equity and inclusion efforts. Among CAB team members, 58% have been promoted at least once, and 23% have been promoted more than once.
- **Growth in customer contacts:** CAB handled 54,560 customer contacts in FY 24/25, including 35,770 phone contacts and 18,790 written contacts, representing an overall 39% increase from the previous fiscal year.
- **Tracking Contact Data to Strengthen Customer Protections:** In the last year, CAB analysts identified a sharp increase in customers calling about abusive marketing tactics by Core

Transport Agents (CTAs) targeting residential and small business customers—reaching as high as 59% of all calls about such companies. Core Transport Agents are non-utility entities who are permitted by law to procure gas supplies for customers, and regularly market their services to customers. In 2025, the CPUC hosted a CTA Workshop to highlight problematic behaviors and identify ways to improve public awareness. The CPUC has featured CAB's analysis in a story on our website, [‘What to Know About Abusive Marketing’](#).

- **A focus on supporting customers:** The CPUC continued to provide in-person education about utility bills, utility services, and help with interacting with utilities in multiple languages and in dozens of low-income communities around the state.

## Internal Operations Support for All CPUC Staff

**Leading A Transition to In-Person Work:** The CPUC's Internal Operations team successfully led the implementation of two days per week of in-person work for all supervisors and managers starting in July 2025, and prepared the agency for the continued rollout to all staff starting in January 2026. This organizational transition will foster new and expanded opportunities, including strengthening working relationships among colleagues, boosting employee growth and development, promoting collaboration and team cohesion, ensuring

fairness, supporting the transfer of institutional knowledge, aiding recruitment and retention, enhancing operational efficiency, meeting the State's operational

needs, and strengthening the CPUC's availability to the public and the companies we regulate.

## **Criterion 2: Implementation of effective business systems and innovation in core operations**

**Mitigating Risk and Building Compliance:** As a financial regulator of large industries, the CPUC holds its employees and workplace to high standards of integrity and transparency. The entire leadership team works continuously to identify risk and establish mitigating controls. The CPUC closed 86 audit recommendations in 2025 by implementing new risk mitigation controls across numerous divisions and teams, including accounting, contracts, human resources, communications, water, energy, and information technology.

**Building Accountability and Safeguarding Ratepayer Funds Through Audits:** The CPUC's financial regulation of large industries extends to audits of regulated companies to check their compliance with financial expenditures and work ordered by the Commission. Audits build accountability and transparency, and safeguard ratepayer funds. In 2025 the CPUC completed 53 audits of utility companies, encompassing energy, energy procurement, communications, utility balancing accounts, and water and sewer companies.

Where our team finds non-compliance by utilities, we require corrective action and return of ratepayer funds. A CPUC audit of San Diego Gas & Electric reported inaccurate information to the CPUC by understating its total 2024 year-end balance by \$174 million. The accuracy and transparency of utility accounting is a core evidentiary requirement within the CPUC's regulation of utilities. San Diego Gas & Electric is now implementing corrective actions so that its reported data is accurate.

A second CPUC audit in 2025 found that SoCalGas had inappropriately charged \$2 million in program administration costs directly to Gas Research and Development projects, which reduced funds available for projects aiming to improve gas energy efficiency. SoCalGas is now implementing corrective actions to restore the funds and set protocols so that the problem does not recur.

### **Criterion 3:**

#### **Progress toward enhancing safety culture at the CPUC**

**Promoting Safety Culture at Electric and Gas Utilities:** In 2025, the CPUC continued to implement safety culture expectations for electric and gas investor-owned utilities.

The CPUC completed Phase 1 of Rulemaking (R.) 21-10-001, implementing a safety culture assessment framework for large investor-owned utilities, as originally directed in Senate Bill 901 (Dodd, 2018). With that completion, the large electric investor-owned utilities must conduct a third-party evaluation of organization-wide safety culture every five years. The CPUC is now leading Phase 2 of the rulemaking to

consider the applicability of the adopted framework to small and multi-jurisdictional investor-owned utilities.

Within the CPUC's workplace, the 2025-2026 Annual Goals for the thirteen divisions reporting to the Executive Director include an expectation of full compliance with all State of California workplace requirements. This includes workplace safety requirements such as defensive driver and cybersecurity training. The expectation, in place since 2021, has resulted in significant compliance improvements, and the CPUC's attainment of compliance has been verified by internal and external auditors.

### **Criterion 4:**

#### **Progress toward creating an inclusive environment through investing in the CPUC workforce**

The CPUC invested in promoting fair, inclusive, and equitable practices that benefit employees, partners, and the communities it serves in 2025. As reported in the 2024 Annual Report, the CPUC appointed our first Diversity, Equity, and Inclusion Officer and Equal Employment Opportunity Officer, a culmination of numerous workplace initiatives launched since 2021.

Progress takes time, and in 2025 the CPUC focused on laying essential groundwork by strengthening strategic alignment, raising awareness, and building a framework centered on Workplace, Talent, Community, and Planet.

The CPUC has set clear actions and metrics that aim to continuously improve our workplace culture, attract and retain talent, deepen community engagement, and reinforce the CPUC's leadership in environmental and social justice within its regulatory mission.

#### **Workplace Excellence:**

- Completed a comprehensive EEO assessment covering statutory and compliance requirements, demographic data, policies, complaints, training, and past audit findings, identifying key areas for improvement.

- Built a strategic framework and action plan that aligns organizational priorities, compliance requirements, and measurable outcomes with data-driven strategies now underway.
- Delivered inclusive design education sessions for senior leadership and divisions and provided consultation on inclusion strategies and conflict management.

### Attracting, Retaining, and Growing Talent

- Delivered heritage month celebrations, inclusion messages, and celebrating wins messages across multiple channels. Heritage month celebrations drew 1,200 employees throughout 2025.
- CPUC’s Talent Acquisition team expanded outreach through multiple career and employment events, including those focused on disability inclusion and veterans.

## Criterion 5:

### Continued progress toward public and legislative confidence in the CPUC through effective communication

In 2025, the CPUC continued to build awareness and understanding of its regulatory actions for the public and the California State Legislature. CPUC leaders briefed the Legislature during more than a dozen oversight, policy, and budget hearings on wide-ranging policy, legislative, and regulatory topics. The Office of Governmental Affairs coordinated the CPUC’s engagement with the California Legislature, and supported Commissioners and executives in delivering

### Engaging Community

As reported throughout this report, the CPUC engaged communities across California in 2025 to discuss topics ranging from neighborhood electrification to telecommunications service in rural areas and utility rate cases. The CPUC continuously works to improve the accessibility of our engagement work, by offering language translation, times and locations that are convenient for community members to attend, and materials that communicate complex policy and regulatory topics in accessible ways.

### Sustaining the Planet

- As reported above in detail, the CPUC achieved 80 of 94 actions from its ESJ Action Plan 2.0, completing 85% of the plan.

clear, data-informed communications. In numerous instances, the CPUC’s briefings shaped resulting legislation.

The CPUC’s dialogue with the Legislature mirrored our communications with the public. Attention in 2025 centered on affordability, clean energy achievements, wildfire risk mitigation, and broadband deployment, and the CPUC shared press releases, feature stories,

videos, factsheets and website content to increase public understanding of key decisions and accomplishments.

Together with ongoing public participation hearings, multilingual outreach, and social media engagement, the CPUC's communications reinforced transparency, accountability, and confidence in the Commission's regulatory actions.

## **Summary Evaluation of Executive Director Performance**

Based on the criteria set out in the law, in 2025 the Executive Director has met the performance criteria established in the 2024 Annual Report.

### **Performance Criteria for 2026**

In 2026, the criteria against which the Executive Director will be assessed will include:

- Success in executing and progressing toward the CPUC's regulatory policy and administrative goals.
- Continual improvement in compliance with state rules through the implementation of effective business systems and innovation in core operations.
- Progress toward enhancing the CPUC's safety culture.
- Progress toward creating an inclusive environment through investing in the CPUC workforce.
- Continued progress toward public and legislative confidence in the CPUC through effective communication.



## California Public Utilities Commission

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