

FAQ: CalCCA and CCAs Seek Rehearing of CPUC ERRA Decisions

What actions did CalCCA and its member CCAs take?

CalCCA filed applications for rehearing asking the California Public Utilities Commission (CPUC) to reconsider its approval of PG&E's and SCE's 2026 Energy Resource Recovery Account (ERRA) forecasts. Earlier this month, San Diego Community Power and Clean Energy Alliance filed a similar rehearing request for SDG&E's ERRA forecast approval. These filings challenge decisions that unlawfully shift costs onto CCA customers.

Why is this important?

These decisions unlawfully shift investor-owned utility (IOU) energy costs onto Community Choice Aggregation (CCA) customers, to the benefit of bundled IOU customers. The Commission's actions reflect a growing erosion of the statutory principle of "ratepayer indifference"—the requirement that neither IOU customers nor CCA customers should be harmed by the existence of retail electric choice. These cases are about fairness, transparency, and the rule of law. Customers deserve predictable, lawful rates, and regulators must follow established legal standards. CalCCA's actions aim to protect customers today while preserving a competitive, community-driven clean energy future for California.

Who is affected by these decisions?

These decisions primarily affect Community Choice Aggregators (CCAs) and their customers. By implementing the 2026 ERRA Forecast decisions, the CPUC is shifting costs from bundled IOU customers onto CCA customers. This includes customers who have left PG&E, SCE, or SDG&E generation service to receive electricity from a CCA.

Why are these ERRA decisions problematic?

CalCCA argues the CPUC's actions:

- Shift energy supply costs from IOU customers onto CCA customers.
- Violate California law by breaching the principle of "ratepayer indifference," which ensures that no group of customers is financially harmed by choosing a CCA over an IOU.

What legal issues are CalCCA raising in these filings?

a. Violation of the Ratepayer Indifference Principle

California law requires that neither IOU customers nor CCA customers should be financially harmed by the existence of retail electric choice. CalCCA argues that the CPUC's decisions violate this rule by shifting costs onto CCA customers in ways that unfairly benefit IOU customers.

b. Retroactive ratemaking

In all three IOU cases, the CPUC changed a key pricing formula used to calculate Power Charge Indifference Adjustment (PCIA)—the fee charged to customers who have left an IOU for a CCA—after 2025 rates had already gone into effect. This kind of after-the-fact change—known as "retroactive ratemaking"—is illegal under California law because customers must be able to rely on stable, predictable rates

c. **Unfair treatment of pre-2019 Renewable Energy Credits (RECs)**

In the PG&E and SCE service areas, CalCCA is challenging how the IOUs value Renewable Energy Credits purchased before 2019. Although these credits were paid for by all customers—including ones that later left for CCA service—the IOUs now use them exclusively to benefit their bundled customers in meeting current clean energy requirements. Under the CPUC's approach, customers who left PG&E or SCE generation service to receive CCA service get no credit for the value of these RECs, despite having funded their purchase. This misallocation inflates PCIA charges for CCA customers while shielding IOU customers from the full costs of IOU-owned resources.

What is the Power Charge Indifference Adjustment (PCIA)?

The PCIA is a fee charged to customers who leave an IOU for a CCA. Its purpose is to reimburse IOUs for long-term energy contracts signed before a customer departed. Find additional information on the PCIA [here](#).

What is an ERRA Forecast?

An Energy Resource Recovery Account Forecast is a process the CPUC uses to determine how much IOUs can charge customers for electricity supply. The forecast sets the costs that will appear on monthly electricity bills for:

- Customers who receive both energy supply and delivery from an IOU, such as PG&E, SCE, or SDG&E.
- Customers who only receive delivery services from the IOU but get their electricity generation from a CCA.

The ERRA forecast ensures that the IOUs recover their approved electricity supply costs, but CalCCA is challenging recent forecasts because they shift costs unfairly onto CCA customers.

How is CalCCA pursuing these issues outside the CPUC rehearing process?

CalCCA filed a **Petition for Writ of Review** with the California Court of Appeal on December 1, 2025. This petition also challenges the CPUC's retroactive change to the resource adequacy market-price benchmark (MPB). CalCCA is asking the court to confirm that new methodology should apply only to future rates.

What are the next steps?

Parties have 15 days to respond to the rehearing requests.

CalCCA will continue advocating for fair, transparent, and lawful rate-setting that protects customers and supports California's clean energy goals.

Where can I read the filings?

- [CalCCA Application for Rehearing – PG&E 2026 ERRA \(A.25-05-011\)](#)
- [CalCCA Application for Rehearing – SCE 2026 ERRA \(A.25-05-008\)](#)
- [SDCP/CEA Application for Rehearing – SDG&E 2026 ERRA \(\(A.25-05-012\)](#)