

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric  
Company for Authority, Among Other  
Things, to Increase Rates and Charges for  
Electric and Gas Service Effective on January  
1, 2027. (U 39 M)

Application 25-05-009  
(Filed May 15, 2025)

**PROTEST OF ENVIRONMENTAL DEFENSE FUND TO 2027 GENERAL  
RATE CASE APPLICATION OF PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 M)**

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June 18, 2025

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**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Environmental Defense Fund (“EDF”) hereby timely submits this Protest to the 2027 General Rate Case Application of Pacific Gas and Electric Company (U 39 M).

Rule 2.6(b) of the Commission Rules of Practice and Procedure states that:

A protest objecting to the granting, in whole or in part, of the authority sought in an application must state the facts or law constituting the grounds for the protest, the effect of the application on the protestant, and the reasons the protestant believes the application, or a part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the application.<sup>1</sup>

EDF files this Protest to address the following issues: load forecasting for electrification, load flexibility, ensuring gas pipeline integrity with any investments related to hydrogen, wildfire related expenditures, and data center forecasting and ratemaking impacts. Not related to any one specific topic, EDF protests the overall shift of assignment of expenditures from operational to capital categories, shifting more investments into rate base and earning a rate of return. EDF is concerned about the affordability of this balance and is concerned that the shift will result in

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<sup>1</sup> Commission Rules of Practice and Procedure, Rule 2.6(b).

unjust and unreasonable rates. Further, in compliance with Rule 2.6, this Protest also sets forth the facts constituting the grounds for the Protest, the effect of the application on EDF, and the reasons EDF believes the application is not justified.<sup>2</sup> In addition, this Protest sets forth EDF's position on the proposed category, need for hearing, issues to be considered and proposed schedule.<sup>3</sup>

## **II. GROUNDS FOR PROTEST**

### **A. EDF Has Concerns about the Load Forecasting for Electrification Set Forth in PG&E's Testimony.**

In its Prepared Testimony, Pacific Gas and Electric Company ("PG&E") forecasts a significant increase (approximately 3.5x) in non-residential transportation electrification interconnection capital expenditures from 2024 actuals to 2027 forecasted.<sup>4</sup> PG&E states that new business, including transportation electrification in particular, can put downward pressure on rates, as these customers' contribution to utility revenues can exceed their system costs in as little as two years from interconnection.<sup>5</sup>

PG&E is also requesting to replace its Assembly Bill ("AB") 841 memorandum account and its Electric Capacity New Business Interim memorandum account with a two-way New Business balancing account.<sup>6</sup> PG&E supports this request by stating that "[t]he timing and magnitude of potential customer requests during the age of building and transportation electrification is difficult to predict with accuracy."<sup>7</sup> In recent years, PG&E customers have

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<sup>2</sup> Commission Rules of Practice and Procedure, Rule 2.6(b).

<sup>3</sup> *Id.*

<sup>4</sup> Pacific Gas and Electric Company 2027 General Rate Case Prepared Testimony (Exhibit (Ex.) PG&E-4), at p. 10-22 (Table 10-7).

<sup>5</sup> Ex. PG&E-4, at p. 10-9, lines 16-26.

<sup>6</sup> *Id.*, at p. 10-49, line 3 through p. 10-53, line 2.

<sup>7</sup> *Id.*, at p. 10-49, lines 17-19.

experienced long interconnection timelines that have slowed electrification projects and achievement of California’s decarbonization goals.

EDF requests additional information regarding the basis for PG&E’s electric vehicle (“EV”) and other end-use electrification load forecasts, including what EV charging load profiles are used in its forecasts; understanding what assumptions the company makes regarding customers’ load flexibility for the purposes of load forecasting, system planning, and revenue forecasting; and understanding what baseline assumptions PG&E has made regarding new business capital expenditures for those costs that would be eligible for the New Business balancing account, and the likelihood of over- or underestimating these costs.

**B. PG&E Must Provide More Information about Load Flexibility.**

In its Prepared Testimony, PG&E details its use of bridging solutions used as part of the distribution planning process, defined as “temporary measures that allow a customer full or partial energization of new load earlier than otherwise would be possible because of capacity limitations and timelines for infrastructure upgrades.”<sup>8</sup> This includes load limit letters and the company’s Flex Connect program,<sup>9</sup> as well as a request for \$36 million for mobile battery storage units.<sup>10</sup>

PG&E must standardize and scale the use of load limit letters and Flex Connect to make them accessible to more customers, and be available on an indefinite, rather than temporary, basis. PG&E must also describe which, if any, cost recovery request is associated with this work. PG&E must also describe the load forecasting associated with, and the planned uses of, the requested mobile battery storage units.

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<sup>8</sup> Ex. PG&E-4, at p. 9-22, lines 3-6.

<sup>9</sup> *Id.*, at p. 9-22, lines 21-33.

<sup>10</sup> *Id.*, at p. 9-60, lines 1-17.

### **C. PG&E's Application is Unclear as to Data Center Load Forecasts.**

PG&E's Chief Executive Officer publicly discussed forecasted load growth from data centers in PG&E's service territory, and the impacts of such load growth on customer rates.<sup>11</sup> PG&E's Application does not discuss its known or forecasted data center load applications, either for electric system interconnection or gas system interconnections. As such, EDF would like to understand the basis for PG&E's data center forecast; any resulting system planning impacts for the electric distribution and gas transmission and distribution systems; and associated costs, revenues, and rate impacts.

### **D. PG&E's Application is unclear on the role of Hydrogen in the gas pipeline**

EDF is leading the conversation on the role of hydrogen to decarbonize hard to electrify parts of the economy. EDF wants to ensure that new investments in the gas pipeline system advance PG&E's decarbonization goals and that PG&E does not undermine those goals by making incorrect choices in hydrogen, especially blending hydrogen into the existing system.

## **III. EFFECT OF THE APPLICATION ON EDF**

EDF is one of the world's largest environmental advocacy organizations; EDF creates transformational solutions to the most serious environmental problems. To do so, EDF links science, economics, law, and innovative private-sector partnerships. With over 3.5 million members and offices in the United States, China, Mexico, the European Union, and elsewhere, EDF's scientists, economists, attorneys, and policy advocates are working in 23 countries around the world to turn our solutions into action. EDF has over 65,000 members here in California, including in PG&E service territory.

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<sup>11</sup> Utility Dive – "PG&E foresees 'bright future' with lower prices, higher demand" which can be found here: <https://www.utilitydive.com/news/pge-wildfire-data-center-rate-case-earnings/746319/>

EDF advocates for end-use electrification for the purposes of decarbonization and affordability, and has concerns over PG&E's capital forecasts for setting initial rates, PG&E's proposed load flexibility, and its lack of information about the data center forecast. In addition, EDF plans to participate in this proceeding to demonstrate that the many types of investments needed to support electrification are prudent and cost-effective, even if EV adoption and other categories of end-use electrification may slow due to the Federal landscape.

#### **IV. PROCEDURAL MATTERS PURSUANT TO RULE 2.6 OF THE COMMISSION RULES OF PRACTICE AND PROCEDURE**

EDF agrees with PG&E's proposed categorization of this proceeding as "rate-setting." EDF believes that evidentiary hearings may be necessary but is open to resolving any issues raised without hearings via discovery, settlement of stipulation, and other procedures. EDF plans to engage in all issues of this proceeding. In anticipation of the prehearing conference, EDF will work with other parties to develop a reasonable schedule if the need arises.

EDF suggests that the proposed schedule is reasonable but reserves the right to offer additional comments at the pre-hearing conference.

Service of notices, orders, and other communications and correspondence in this proceeding should be directed to EDF at the address set below.

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In addition, the following representatives should be placed on the *Information Only* list:

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**V. CONCLUSION**

EDF looks forward to continued engagement on this Application.

Respectfully submitted,

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