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

Application of Pacific Gas and Electric Company  
for Adoption of Electric Revenue Requirements  
and Rates Associated with its 2026 Energy  
Resource Recovery Account (ERRA) and  
Generation Non-Bypassable Charges Forecast  
and Greenhouse Gas Forecast Revenue  
Return and Reconciliation.

Application 25-05-011  
(Filed May 15, 2025)

Expedited Application of Pacific Gas and Electric  
Company Pursuant to the Commission's  
Approved Energy Resource Recovery Account  
(ERRA) Trigger Mechanism

Application 25-09-015  
(Filed September 30, 2025)

[CONSOLIDATED]

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) COMMENTS ON THE  
PROPOSED DECISION**

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Dated: December 1, 2025

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## **SUBJECT INDEX OF RECOMMENDATIONS**

Pursuant to Rule 14.3(b) of the California Public Utilities Commission’s (“CPUC” or “Commission”) Rules of Practice and Procedure, Pacific Gas and Electric Company (“PG&E”) provides the following Subject Index of Recommended Changes in support of its opening comments on the *Proposed Decision Approving Pacific Gas and Electric Company’s 2026 Energy Resource Recovery Account Related Forecast Revenue Requirement and 2026 Electric Sales Forecast* (“Proposed Decision”), issued November 21, 2025. PG&E recommends a Final Decision that:

- Clarifies that Southern California Edison Company’s (“SCE”) Slice of Day (“SOD”) methodology is to apply to PG&E’s 2026 ratesetting for the limited purpose of adjusting the value of energy storage resources;
- Addresses PG&E’s Motion concerning the confidentiality of PG&E’s Reply Brief (Confidential Version) which contained market sensitive information; and
- Corrects certain errors addressed herein.

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[CONSOLIDATED]

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) COMMENTS ON THE  
PROPOSED DECISION**

**I. INTRODUCTION AND SUMMARY**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") and Administrative Law Judge ("ALJ") Elizabeth Fox's November 24, 2025, e-mail in the above-captioned consolidated proceeding clarifying a shortened commenting deadline, Pacific Gas and Electric Company ("PG&E") offers its opening comments on the *Proposed Decision Approving Pacific Gas and Electric Company's 2026 Energy Resource Recovery Account Related Forecast Revenue Requirement and 2026 Electric Sales Forecast*, issued November 21, 2025 ("Proposed Decision").

In these opening comments, PG&E respectfully requests that the Commission modify the Proposed Decision to:

- Clarify that Southern California Edison Company’s (“SCE”) Slice of Day (“SOD”) methodology is to apply to PG&E’s 2026 ratesetting for the limited purpose of adjusting the value of energy storage resources; and
- Address PG&E’s November 3, 2025, *Motion for Leave to File the Confidential Version of its Reply Brief Under Seal*, seeking to protect the confidentiality of certain market sensitive information.

PG&E also recommends correction of certain errors, and modifications and clarifications as discussed herein and as set forth in Appendix A.

## **II. THE COMMISSION SHOULD CLARIFY THE INTERIM SLICE OF DAY METHODOLOGY APPLIES ONLY TO ENERGY STORAGE RESOURCES**

The Proposed Decision resolves the issue of whether modifications to PG&E’s resource adequacy (“RA”) valuation for the purpose of calculating the Power Charge Indifference Adjustment (“PCIA”) by adopting SCE’s SOD methodology on an interim basis. However, the Proposed Decision presents an ambiguity that is necessary to clarify for 2026 ratesetting purposes that are effectuated through PG&E’s forthcoming annual electric true-up Advice Letter (“AET”).

The Proposed Decision’s dicta makes clear that the application of SCE’s methodology pertains to capacity value for energy storage resources. Specifically, the Proposed Decision explains “SCE’s methodology is simply a method to discount the NQC of storage resources to account for the fact that storage is not available at its NQC value for 24 hours. PG&E has sufficient information to apply PG&E’s [sic] methodology; they would apply their current methodology for calculating the RA sales, unsold and retained RA volumes.”<sup>1/</sup> PG&E accepts that application of SCE’s methodology for energy storage resources is a clear implementable interim resolution of this issue for the purpose of 2026 ratesetting. The adjustment to energy

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<sup>1/</sup> Proposed Decision, p. 35.

storage resources under SCE's SOD method can be effectuated by PG&E based on the Proposed Decision and this proceeding's record.

However, the Proposed Decision's Finding of Fact 17 and Conclusion of Law 3 do not expressly limit the application of SCE's SOD proposal to energy storage resources. There is no record upon which PG&E can make adjustments for SOD for resources other than energy storage resources.<sup>2/</sup> The Proposed Decision provides clear direction on calculations for energy storage resources, but does not offer additional clarity for non-energy storage resources. So that the Proposed Decision does not have broader impact than the record supports, PG&E respectfully requests that Finding of Fact 17 and Conclusion of Law 3 be clarified to limit the application of SCE's SOD methodology to energy storage resources. This will avoid any ambiguity regarding the adjustments that PG&E is directed to make as part of its January 1, 2026, AET rate change. Clarifying the Final Decision is necessary to prevent challenges to PG&E's AET rate change, and will provide PG&E with clear direction for implementing the Commission's resolution of an interim SOD methodology.

### **III. THE APPROPRIATE VALUE OF PRE-2019 BANKED RECS IN THE PCIA IS ZERO DOLLARS**

The Proposed Decision appropriately adopts PG&E's Pre-2019 Banked RECs methodology, however, errs legally and factually in its limiting that methodology on an interim basis.<sup>3/</sup> The record of this proceeding clearly supports a conclusive determination that the valuation of Pre-2019 Banked RECs is zero dollars. The record demonstrates (1) the RECs were fully valued under the former ratemaking methodology;<sup>4/</sup> (2) compensation conflicts with the

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<sup>2/</sup> Exh. PGE-04, p. 3-12, lines 15-19. PG&E notes that CalCCA's November 10, 2025 Comments on PG&E's Fall Update Testimony, pp. 14-15 and supporting attachment purporting to rebut PG&E's claim that SCE's methodology is unimplementable only provides clarity with regard to energy storage resources, and does not provide clear adjustments for non-energy storage resources.

<sup>3/</sup> Proposed Decision, Finding of Fact ("FOF") 15.

<sup>4/</sup> See, e.g., Tr. Vol. 1, 89:7-12, PG&E/Barry. In this and subsequent citations, PG&E adopts the spelling of Ms. Barry as stated in her Statement of Qualifications (Exh. PGE-04, DLB-1 and DLB- 2) and set forth on Tr., Vol. 1, (5:13-5:14).

Commission’s statutory requirements requiring bundled service customer indifference;<sup>5/</sup> (3) compensation conflicts with PG&E’s Commission-approved tariffs;<sup>6/</sup> long-standing ratemaking practices;<sup>7/</sup> and precedent in SCE’s ERRRA Forecast proceedings on this matter;<sup>8/</sup> and (4) compensation conflicts with Commission directives and approved policies governing PG&E’s portfolio in the Renewables Portfolio Standard (“RPS”) proceeding, which provides for use of PG&E’s bank as a bundled service customer affordability measure.<sup>9/</sup> The Commission has a sufficient basis to resolve this persistent point of conflict between PG&E and departing load interests based on the record of this proceeding. However, PG&E understands that the Commission may address this issue with finality in a separate rulemaking.

Failure to resolve this issue with finality in this proceeding undermines PG&E’s ability to sell RPS resources, a key affordability measure to lower customers’ costs as PG&E re-establishes its RPS portfolio. If PG&E is ultimately required to provide a PCIA revenue credit for use of Pre-2019 Banked RECs, the ratemaking outcome has the effect of bundled service customers re-purchasing the banked RECs to use for compliance, potentially negating the net benefit to bundled service customers of a sale.<sup>10/</sup> In some cases, there may be a net cost resulting from a sale.<sup>11/</sup> Persistent ambiguity will unnecessarily stymie further RPS sales activity as the valuation of sales activity and Pre-2019 Banked RECs would remain uncertain.

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<sup>5/</sup> See, e.g., PG&E Opening Brief, pp. 30-36.

<sup>6/</sup> Exh. PGE-04, p. 4-8, lines 17-16 (citing PG&E’s Electric Rules 17, 17.1, and 17.2).

<sup>7/</sup> Exh. PGE-04, p. 4-8, lines 3-14.

<sup>8/</sup> See D.23-11-094, p. 60 (“[s]hould SCE determine that the use of RECs banked in or before 2018 is necessary for its bundled service RPS compliance, it should value those RECs at zero, as it proposed”) (citation omitted); D.24-12-039, p. 68.

<sup>9/</sup> D.24-12-035, p. 78, FOF 13.

<sup>10/</sup> Exh. PGE-04, p. 4-18, lines 3-8.

<sup>11/</sup> Exh. PGE-04, p. 4-18, lines 9-15.

#### **IV. OTHER ISSUES FOR CORRECTION**

##### **A. Request for Approval of PG&E's Motion to File Under Seal**

The Proposed Decision states that “all motions not ruled on are deemed denied.” The issuance date Proposed Decision preceded the Administrative Law Judge’s November 25, 2025 *Ruling Granting Motions and Admitting Evidence* addressing various motions, including evidentiary and confidentiality motions. However, there remains an unresolved PG&E motion to file under seal, implicating the confidentiality of PG&E’s bid evaluation information.

- PG&E *Motion to File the Confidential Version of Its Reply Brief Under Seal*, on November 3, 2025

The Proposed Decision should be modified to grant PG&E’s *Motion to File the Confidential Version of Its Reply Brief Under Seal*. The Confidential Version of PG&E’s Reply Brief included confidential information used as part of competitive bid evaluation of electricity products. This category of information is market sensitive, and was explicitly addressed as a category to be protected under Commission Decision 06-06-066 as matrix category VIIIB.

##### **B. Other Corrections**

PG&E offers the following limited corrections to the Proposed Decision:

- On page 24, the Proposed Decision states that “PG&E forecasts that its revenue requirement for UOG-related costs will be -\$1.231 billion for 2026.” PG&E’s revenue requirement is positive. Therefore, PG&E requests that the Commission strike the “-“ from the Final Decision;
- On page 50 and at Conclusion of Law 2, the Proposed Decision describes the ERRA-Main balance as \$700 million. The Forecast Year-End ERRA balance is \$1,853 million.<sup>12</sup> The forecasted ERRA Trigger Balance, which considers the ERRA balance and PG&E’s bundled customer share of the Portfolio Allocation Balancing Account is forecast to be \$700 million. Therefore, PG&E requests that

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<sup>12</sup> PG&E Fall Update Errata (November 6, 2025), p. 26, Table C.

the Commission describe the ERRA Trigger balance as \$700 million and suggests revisions to Conclusion of Law 2.

- PG&E observes that the rate impacts described in Section 9.1 of the Proposed Decision do not reflect the modifications presented in Fall Update Errata.

## **V. CONCLUSION**

PG&E supports resolution of the Proposed Decision consistent with the recommendations herewith and provides recommended changes to Findings of Fact, Conclusions of Law, and Ordering Paragraphs in Appendix A.

Respectfully Submitted,

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Dated: December 1, 2025

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## Appendix A: Proposed Modifications to Findings, Conclusions, and Orders

Note: Proposed Modifications are shown in bolded ~~strikeout~~ and underline. For purposes of brevity, PG&E has only reproduced those findings, conclusions, or orders for which it has recommended modifications.

### Findings of Fact

17. We find it reasonable for PG&E to adopt SCE's Slice-of-Day methodology for energy storage resources, as described herein, on an interim basis.

### Conclusions of Law

2. It is reasonable to authorize PG&E to amortize a \$700,000,000 overcollection of its ~~ERRA—Main-balancing-account~~ ERRA Trigger Balance in the annual electric true-up advice letter, subject to submission of a Tier 1 advice letter that documents the associated rate changes.

3. It is reasonable to update PG&E's Slice of Day methodology to reflect SCE's Slice-of-Day methodology for energy storage resources on an interim basis.