

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric
Company (U39E) for Approval Under Public
Utilities Code Section 851 to Lease
Entitlements to Transmission Projects to
Citizens Energy Corporation.

Application 24-03-009

**NOTICE OF EX PARTE MEETING
WITH THE PUBLIC ADVOCATES OFFICE**

Pursuant to Rule 8.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby details an ex parte meeting in the above-captioned proceeding.

The ex parte meeting occurred via Webex on Thursday, December 11, 2025, at approximately 4:02 p.m. to 4:30 p.m., with Julian Buchwalter, Advisor to Commissioner Karen Douglas, and Justin Ong, Chief of Staff for Commissioner Matthew Baker. Cal Advocates was represented by Michael Campbell, Energy Assistant Deputy Director; Tamera Godfrey, Program Manager; and Michael Einhorn, Staff Counsel.

During the meeting, the representatives for Cal Advocates discussed the amended *Application of Pacific Gas and Electric Company (U 39 E) for Approval Under Public Utilities Code Section 851 to Lease Entitlements to Transmission Projects to Citizens Energy Corporation* (Amended Application), which asks the California Public Utilities Commission (Commission) to approve an Investment Program and Development, Coordination, and Option Agreement (DCOA) between Pacific Gas and Electric Company (PG&E) and Citizens Energy Corporation (Citizens). Cal Advocates discussed issues that were raised in the parties' briefs, including the following issues:

- Under the proposed DCOA, Citizens would receive a utility's cost-of-service regulated rate of return funded by ratepayers. However, Citizens would not be responsible for a utility's obligations or liabilities, such as the

attendant risk of operating transmission assets, which PG&E and ratepayers would retain.

- The proposed DCOA will not improve affordability, because PG&E's estimates that Citizens will provide bill assistance for a relatively small number of low-income customers. However, Citizens' proposed bill assistance will be funded by profits paid for by PG&E's remaining customers, including most low-income customers.
- PG&E's claims that the DCOA is designed to be ratepayer neutral are contradicted by PG&E's statements that its authorized return on equity may change over the 30-year periods that Citizens will fix its cost of equity rates.
- PG&E's proposal to provide Citizens with multiple options for future leases places Citizens in a position to evaluate market conditions and exercise its options to fix rates when Citizens determines that market conditions are likely to benefit Citizens, regardless of whether fixed rates would benefit ratepayers.
- PG&E's proposal prevents the Commission from evaluating market conditions to determine whether it is reasonable to allow Citizens to fix rates for each of Citizens' future entitlements leases.
- Unlike prior entitlements lease transactions that the Commission approved, PG&E's proposal prevents the Commission from considering challenges that projects face and whether the proposed transaction could provide potential benefits to the projects that would be the subject of entitlements leases.
- The magnitude of PG&E's proposal to allow Citizens to invest up to \$1 billion is material because it reflects the level of ratepayer risk.

Cal Advocates also discussed material differences between PG&E's Amended Application and the applications at issue in D.11-05-048, *Decision Granting Approval of Lease of Transfer Capability Rights from San Diego Gas & Electric Company to Citizens Energy Corporation*, issued in A.09-10-010 (Sunrise Decision), and in D.19-03-024, *Decision Granting Approval of a Lease of Transfer Capability Rights from San Diego Gas & Electric Company to Citizens Energy Corporation* (Sycamore Decision). Cal Advocates explained that, unlike the Sunrise and Sycamore Decisions, the Commission will not have information in this proceeding concerning rate estimates, lease execution

dates, the amounts of money at issue for each lease, and specific details of the transmission assets subject to Section 851.

Respectfully submitted,

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