



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

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Order Instituting Rulemaking on California  
Advanced Electric Rate Design

(U 39 E)

R.26-04-009  
(Filed April 9, 2026)

**REPLY COMMENTS OF  
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

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## I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) respectfully provides these reply comments in response to the 30 other opening comments<sup>1</sup> filed on May 11, 2026 in the California Public Utilities Commission's (CPUC or Commission) Order Instituting Rulemaking on California Advanced Electric Rate Design (OIR).<sup>2</sup> Parties were invited to comment on eight questions, reproduced below in Section III. The OIR also listed 15 preliminary issues<sup>3</sup> covering a wide variety of topics and requested that parties identify whether any other issues were missing.<sup>4</sup>

PG&E appreciates the challenge facing the Commission in reviewing the nearly 450 total pages included in the 31 sets of opening comments. PG&E's reply seeks to be as brief and helpful as possible by focusing on the key scope and scheduling issues that feed into the Assigned Commissioners' Scoping Memorandum. Given a ten-day reply period, it is not possible to respond point-by-point to the myriad factual, substantive assertions other parties raised. Rather, under the CPUC's procedural rules, such substantive issues are deferred to post-Scoping Memo litigation/workshops, whereas scope and scheduling are the sole matters for decision now.

PG&E stands by its opening comments which distilled the OIR's preliminary issues list into five topic groupings: (1) Senate Bill 57 (Large Load/Data Centers), (2) remaining Base Services

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1/ All references to "opening comments" (OC) refer to parties' respective filings on May 11, unless expressly noted otherwise. The following parties filed opening comments (alphabetically): Advanced Energy United (United), AVA Community Energy (Ava), Bloom Energy Corporation (Bloom), Douglas Boyle (Boyle), the Building Decarbonization Coalition (BDC), the California Association of Small and Multi-jurisdictional Utilities (SJMUC), a coalition of PacifiCorp, Liberty Utilities, and Bear Valley Electric Service, Inc.), the California Community Choice Association (CalCCA), the California Environmental Justice Alliance (CEJA), the California Large Energy Consumers Association (CLECA), the California PUC's Public Advocates Office (Cal Advocates), the California Solar and Storage Association (CalSSA), the Center for Accessible Technology (CforAT), the City of Long Beach, California (Long Beach), the Coalition of California Utility Employees (CUE), Data Center Coalition (DCC), Dream Big, Enchanted Rock, LLC (ERock), the Environmental Defense Fund (EDF), Fervo Energy Company (Fervo), Local Clean Energy Advocates (Local Clean Energy Advocates, a coalition of the Center for Biological Diversity, Grid Alternatives, and Vote Solar), the Natural Resources Defense Council (NRDC), Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric (SDG&E), Sierra Club (Sierra Club), Small Business Utility Advocates (SBUA), the Solar Energy Industries Association (SEIA), Southern California Edison Company (SCE), Tesla, Inc. (Tesla), The Utility Reform Network (TURN), the Utility Consumers Action Network (UCAN), the Vehicle-Grid Integration Council (VGIC).

2/ OIR on Calif. Advanced Electric Rate Design, issued April 9, 2026 (Rulemaking (R.)26-04-009).

3/ OIR, pp. 11-13.d

4/ OIR, p. 14.d

Charge (BSC) issues, (3) general rate design policy, (4) dynamic rates/real-time pricing (RTP), and (5) Assembly Bill 2109 (industrial heat producers).<sup>5</sup> PG&E respectfully stresses the importance of setting as this OIR's very highest priority (Track 1) Large Load/Data Center issues (discussed in Section III.B below). PG&E generally cautions the CPUC to both minimize adding further issues and consider removing some issues from the OIR's preliminary list that can be handled in different forums or at a later time, to ensure this OIR can successfully and timely focus on the issues of highest priority.

## II. OVER-ARCHING KEY PRIORITIES

Given the voluminous material presented in the 31 opening comments, PG&E recommends the CPUC *at least* ensure it conducts this OIR to support the following key points, in order of priority:

- Large Load: Ensure an adequate record is quickly created for a final CPUC decision on Large Load rates by Q2 2027 that provides specific enough policy guidance (as detailed in Appendix A-1 of PG&E's OC) so that the IOUs can implement the Commission's decision through an Advice Letter process as soon as feasible. Urgency is required in addressing ratemaking for significant new load from Large Load customers forecasted in PG&E's service territory in 2028,<sup>6</sup> as opportunities that carry potential to reduce rates for all customers could otherwise be lost;
- AB 2109: Structure the OIR so that any non-bypassable charge (NBC) or departed load surcharge exemptions considered are limited only to those authorized by statute, limited to specific technologies eligible under statute, and are addressed in a manner that does not delay resolution of critical Large Load matters;
- Remaining Basic Services Charge Issues: Focus BSC improvements first on value changes that do not require structural billing system reprogramming (e.g., structural billing system modifications would be needed to further differentiate fixed charges by adding other variables or more income tiers beyond the initial three;
- Scheduling Alignment/Efficiencies: Ensure the final OIR schedule avoids misalignment with ongoing proceedings' schedules (e.g., the IOUs' GRC Phase 2s and RTP proceedings that are already in flight); inefficient duplicative litigation can be avoided by expressly finding that the OIR's policy guidance will solely apply to *future* IOU applications; and
- Lean Towards Excluding Issues and Minimizing Additions: As the CPUC considers potential added issues suggested in some parties' comments, its aim should be to streamline

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5/ PG&E OC, pp. 1-2.

6/ See California Energy Commission, 2025 IEPR: Preliminary Data Center Forecast (Oct. 30, 2025), pp. 11-12 (showing a significant growth of data centers in PG&E's service territory contributing to the state's peak demand in mid- and high cases in 2028), *available at*: [https://www.energy.ca.gov/sites/default/files/2025-11/2025\\_IEPR\\_Preliminary\\_Data\\_Center\\_Forecast\\_ada.pdf](https://www.energy.ca.gov/sites/default/files/2025-11/2025_IEPR_Preliminary_Data_Center_Forecast_ada.pdf) (accessed May 18, 2026).

what is an already heavily burdened proceeding by potentially excluding from its scope issues that can be addressed elsewhere or at a later time.

PG&E strongly agrees with TURN (and others') cautionary counsel that the OIR's preliminary wide-ranging issue scope would be virtually impossible to complete within its desired 24-month period.<sup>7</sup> Similarly, handling all these disparate complex issues in a single workshop seems unrealistic; rather, each of the five major topic groupings merits at least one and likely more iterative workshops to create the necessary record for a sound policy decision.<sup>8</sup> By comparison, it took well over eight total years for the CPUC to complete the Residential Rate Reform OIR (on tier reform and the first-ever default TOU rate transition for 10+ million IOU customers statewide).<sup>9</sup> Similarly, the Demand Flexibility OIR took three years to be only partly completed last August.<sup>10</sup> Rushing this OIR's schedule risks hampering the CPUC's ability to develop sustainable, sound policy guidance that is properly grounded in customer insights and data. Efforts at streamlining should keep in mind this overriding concern.

Below, PG&E paraphrases the OIR's eight questions and provides responses to the most material scoping and schedule-related issues raised in opening comments. Because of the large volume of comments, PG&E's reply focuses on scoping and scheduling issues -- not underlying substantive matters that should not be addressed until later in this proceeding. Lack of a response here to any point raised in a party's opening comments should not be construed as agreement.

### III. DISCUSSION

#### A. OIR Question 1: Please comment on the preliminary issues. Are there any missing?

Several parties expressed a desire to *add new* issues to the OIR's long preliminary list; similarly, some suggested the CPUC find certain preliminary topics inappropriate for this OIR and

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7/ TURN OC, pp. 4-5, ("The Commission's aim to resolve the proceeding within 24 months is highly ambitious and unrealistic... [and the] proposed schedule only specifies one workshop which is insufficient given the number of discrete issues at play. Additional workshops should be incorporated into the schedule by topic....").

8/ TURN OC, p. 5.

9/ Residential Rate Reform / R.12-06-013, available at: <<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-rates/residential-rate-reform-r-12-06-013>> (accessed May 18, 2026).

10/ Demand Flexibility Rulemaking / R.22-07-005, available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/demand-flexibility-rulemaking>> (accessed May 18, 2026).

*exclude them* at this time, to streamline the final Scoping Memo. Unfortunately, the ten-day period for replies does not allow for a comprehensive, point-by-point response. Accordingly, PG&E addresses – at a high-level – issues relating to (1) Large Load customers (proposed Track 1) and (2) broader rate design (proposed Tracks 2-4) and AB 2109 (proposed Track 5):

**1. Large Load Customers (Proposed Track 1)**

While most of the parties who opined on Large Load customers addressed scheduling and prioritization, some raised substantive concerns and positions.<sup>11</sup> PG&E does not believe it is appropriate or necessary to respond to such substantive comments at this time, as the Commission need not resolve those matters at this early stage of the proceeding.

Other parties raised relevant but tangential issues, like whether and how individual Large Load customers should supply their own generation.<sup>12</sup> If the Commission determines these issues should be within the scope of the proceeding, they should be addressed through PG&E’s proposed Track 1(b) or 1(c),<sup>13</sup> and at the very least should not delay resolution of gating issues such as the development of a new customer class. Similarly, the Commission should be mindful that it need not address issues that are already addressed elsewhere.<sup>14</sup>

Finally, while multiple parties<sup>15</sup> allude to issues in PG&E’s Electric Rule 30 Application (A.24-11-007), this OIR should complement, not interfere with, that proceeding. While both proceedings concern Large Load issues, the focus of each is distinct.<sup>16</sup> Accordingly, the Commission should resolve PG&E’s Electric Rule 30 Application without further delay.

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11/ See, e.g., CLECA OC, p. 12 (advocating for characteristics of a large load rate class).

12/ See, e.g., Bloom OC p. 3; NRDC OC pp. 4-5.

13/ See PG&E OC, Appendix A (proposing Tracks 1(a), 1(b), and 1(c)).

14/ For example, “load forecasting” is already addressed in the California Energy Commission’s Integrated Energy Policy Report, 25-IEPR-01. See DCC OC, p. 8. See also PG&E OC, pp. A-2 to A-3, fn. 3 (clarifying Rulemakings addressing matters related to customer generation market participation and demand response issues).

15/ See, e.g., NRDC OC p 4.

16/ The scope of A.24-11-007 is limited to issues related to the interconnection of transmission-level retail customers.

**2. Broader Rate Design: Reply to Selected Requests to Add or Exclude Issues**

PG&E replies to certain parties’ requests to add or exclude non-Large Load rate design issues in the CPUC’s Scoping Memo for this OIR.

<b>Selected Parties’ Proposed Additions</b>	<b>PG&amp;E’s Reply</b>
<p>CalAdvocates (pp. 4-5) proposes adding to this OIR developing an ongoing process for monitoring and evaluating the <b>“Cost-Effectiveness” of dynamic pricing options.</b></p>	<p>PG&amp;E opposes inclusion in <i>this</i> OIR -- although PG&amp;E strongly agrees that an approach for assessing both the costs and likely load benefits of any dynamic pricing option is an important current gap. Until the CPUC has before it evidence to assess whether the costs of implementing new dynamic pricing structures are outweighed by proven load reduction results, the CPUC cannot be sure they are deployed in a manner that supports overall rate affordability. If such a cost-effectiveness process were nonetheless considered in this OIR, it could be part of either an RTP policy track or (if RTP is deferred or excluded here) the general rate design track. However, because cost-effectiveness also affects evaluations across <i>all</i> dynamic pricing options (beyond just RTP), and can also inform demand response program decisions, this issue appears to be appropriate for consideration in the CPUC’s EDROIR proceeding (R.25-09-004) as well as within the IOUs’ pending Real Time-Pricing (RTP) cases. The latter includes necessary cost data. Also of critical importance is a careful review of real-world load impacts and customer enrollment data from California’s RTP pilots to assess affordability and likely “bang for the buck.”</p>
<p>CalAdvocates (pp. 6-8) proposes adding a <b>Modelling</b> issue to the General Rate Design track of this OIR that would require that GRC 2 proceedings use readily available software, like Excel, instead of broadly inaccessible models.</p>	<p>PG&amp;E opposes. While this issue may at first sound simple, the devil is definitely in its details. Modeling is currently a disputed issue of material fact in PG&amp;E’s 2023 GRC 2, making inclusion here duplicative. Also, a request for standardized software would ultimately modify CPUC Rules of Practice and Procedures Rule 10.4(e). Adopting a strict menu of “permissible” software would arbitrarily restrict eventual technological, coding and software/hardware upgrades and refinements, thereby circumventing the purpose of refining models - including improved accuracy.</p>

Selected Parties' Proposed Additions	PG&E's Reply
<p>VGIC (pp. 3-4) and CalCCA (pp. 5-6) and Enchanted Rock (p. 1-2) suggest including <b>Export Compensation</b> in this OIR and NRDC (pp. 1-2) and VGIC disclose that that <b>separately metering certain behind-the-meter DER loads</b> may be necessary for potential new "equipment-specific rates," and NRDC suggests the CPUC consider the possibility of using something less than utility grade, accurate meters.</p>	<p>PG&amp;E opposes adding either export compensation or submetering to this OIR. While these issues are important, they are cross-cutting issues that, although they include rate design elements, also raise metering issues (discussed below) that go far beyond the issues contemplated for this OIR. Further, the resource adequacy proceeding has addressed the export compensation issue in prior CPUC decisions, but indicated it would coordinate with the EDROIR (R.25-09-004) if the issue were taken up there.<sup>17</sup> Finally, PG&amp;E is exploring marginal cost export rate design issues in its current GRC Phase 2 (A.24-09-014). These issues should not see duplicative, partial consideration in this already full OIR; rather, a holistic and comprehensive review is needed.<sup>18</sup> Addressing export compensation on an <i>ad hoc</i> basis can result in compromises that allow overcompensation that lead to higher electricity costs that undercut overall customer affordability.<sup>19</sup> The CPUC must address such cost-shifting, and should do so comprehensively -- especially including legacy Net Energy Metering (NEM) tariffs) -- in a future proceeding, such as described in D.23-11-068.<sup>20</sup></p> <p>The CPUC should find too vague VGIC's suggestion that export compensation is an issue for different technologies (presumably not only EV exports), and conclude that this suggestion falls short of adequately framing a specific scoping issue or indicating where it should apply.</p> <p>NRDC's and VGIC's related metering/submetering considerations should be found beyond the scope here, as this would involve technology-specific equipment standards issues, and can have revenue requirement and operational implications, which are inappropriate to decide in a rate design OIR. Although PG&amp;E agrees with NRDC's overarching objective of electrification, we believe much can be accomplished through the issues prioritized by PG&amp;E in this OIR and in the IOUs' respective GRC Phase 2s rather than adding even more complexity to this OIR.</p>

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17/ See Assigned Commissioner's Scoping Memo and Ruling, p. 7, R.25-10-003, (Dec. 12, 2025).

Selected Parties' Proposed Additions	PG&E's Reply
<p>NRDC (pp. 1-2 and 5) suggest adding assessing <b>Equipment-Specific Rates</b>, contrary to updated Rate Design Principle #9 that the CPUC recently adopted. Similarly, EDF (pp. 2-3) asks for a new <b>"set of core principles"</b> including cost causation,... [protecting] vulnerable, disadvantaged populations... aligning with state decarbonization policy, etc.</p>	<p>PG&amp;E opposes. The CPUC's recent Rate Design Principles (RDP) decision (D.23-04-040) set forth ten updated rate design principles, which already adequately cover EDF's concerns (p. 2). NRDC's suggestion of "considering barriers and challenges to the adoption of equipment-specific rates," "including metering requirements," butts up against updated RDP #9, which expressly state: "rate design should not be technology-specific and should avoid creating unintended cost-shifts" (D.23-04-040, at pp.20 21 and 26 OP 1(i).) The RDP decision highlighted CalAdvocates' warning about "providing a competitive advantage to specific technologies" as well as "avoiding cost-shifts to non-participants. (<i>Id</i> at p. 21.) This is still a major challenge. In addition. updated RDP #7 on customer understandability (<i>Id</i>. p. 36, OP 1(g)) counsels that the number of rate schedules already in use should, if anything, be simplified, whereas equipment-specific rates would tend to cause a proliferation of rate schedules. Further, commercially available technologies and their costs will ebb and flow over time, making it very time-consuming, challenging, and potentially contentious to maintain cost-based, equipment-specific rates. (As a cautionary tale on technology specific rate elements, the predecessor to today's Baseline statute ran aground because its initial long list of qualifying technologies proved impractical and cumbersome to implement, so the legislature replaced it with Baseline's top-down, overall percentage of average electric usage in each climate zone, to replace the prior, cumbersome bottom-up technology-specific structure.)</p>

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- 18/ The Warren-Miller Energy Lifeline Act of 1976 structured the original P.U. Code section 739 using a list of qualifying electrically-powered equipment. See A.19-11-2020, Final Joint IOUs' Proposals for Study to Identify Electric Essential Usage for Residential Customers, filed April 10, 2020, at p.8 "...the 1982 Baseline Act's 'percentage of average usage' approach replaced the [original, 1976] more 'bottom-up' approach....[that had been] based on types of usage such as home heating, and cooling, lighting, and cooking, as well as listing particular medical equipment. Apparently, by 1982 the legislature concluded that its original appliance-based Lifeline had become too cumbersome and ultimately opted to adopt a 'percentage of average usage by climate zone and season' still in use today.
- 19/ For example, ERock OC, p. 1-2, mischaracterizes the existing opportunity for behind-the-meter (BTM) renewable generators, and storage paired with such generators, to be compensated for grid services. Renewable generators, as described, are eligible for NBT. VGIC OC, p. 5 notes the interplay between Net Energy Metering (NEM) and NonBypassable Charges (NBT) export compensation and other export-capable BTM technologies like bidirectional EVs.
- 20/ D.23-11-068 (pp. 200 *et seq.*, FOF 250, CoL 57 and OP 7) set parameters that may preclude inclusion of NBT compensation issues in this OIR, namely to collect data from the successor (NBT) tariff for three years, then analyze that data and provide a draft evaluation within five years of NBT's implementation.

Selected Parties' Proposed Additions	PG&E's Reply
<p>CalAdvocates (pp. 8-9) requests excluding from this OIR reconsideration of <b>Marginal Cost Methodologies</b>. Similarly, TURN (p. 2) urges the CPUC to “refrain from asking parties to litigate complex marginal cost methodologies in this proceeding...” that “are already being extensively litigated in GRC Phase 2s for each IOU, with the needed testimony on utility-specific marginal customer equipment costs.”</p>	<p>PG&amp;E agrees with CalAdvocates’ and TURN’s concerns, as the issue of marginal cost methodologies is already squarely within the scope of each IOU’s pending or soon to be filed GRC Phase 2s.<sup>21</sup> The theoretical appeal of moving toward greater consistency across all IOUs falters in practice, because the impacts of any change will vary across the IOUs and thus can cause harmful effects on affordability or cause rate shock. Any such effort requires voluminous utility-specific data as well as new analyses of the impacts of any potential change. This would be very difficult to meaningfully accomplish in an OIR’s workshop setting, and are already considered in detail, on the formal record, in each IOU’s GRC Phase 2 cases).<sup>22</sup> A rulemaking with limited workshops is an inappropriate forum because any required methodological change will necessarily negatively impact many customers given the zero-sum nature of revenue allocation and schedule-level rate design. If any MC methodological guidance were to be provided here, it should be kept at the policy level and solely affect showings in <i>future</i> GRC Phase 2 presentations filed after this OIR is completed.</p>

21/ SDG&E’s next GRC Phase 2 Application is set to be filed in February 2027, and SCE’s is projected for later in 2027. Detailed GRC Phase 2 Marginal Cost studies require a long lead-time before testimony can be prepared. PG&E’s lead time for preparing GRC Phase 2 studies and testimony is at least 1 year.

22/ The OIR neglected to mention that PG&E fully litigated all marginal costs and related methodologies in the 2020 GRC, in which we purposefully did not settle any marginal cost issues. It would be inefficient to entirely duplicate the CPUC’s and all parties’ hard work in that robust 2020 GRC Phase 2. Since these efforts resulted a fully litigated decision on marginal cost methodologies (D.21-11-016), it should perhaps be leveraged as a starting point, if the CPUC decides to move forward and attempt to use this OIR to provide forward-looking policy guidance on marginal cost methodologies

Selected Parties' Proposed Additions	PG&E's Reply
CALSSA (pp. 7-11) proposes expanding AB 2109 exemptions to include the broader elimination of <b>customer departing load charges</b> .	PG&E opposes. The enactment of AB 2109 resulted in changes to California law impacting certain industrial heat process producers, and authorized the CPUC to exempt a limited subset of customers—those using industrial heat process technology meeting nine specified criteria—from departing load and non-bypassable charges, as defined by the CPUC and subject to a cap. <sup>23</sup> Further, the statute requires any such exemptions be implemented in a manner that minimizes cost impacts on non-participating customers. <sup>24</sup> Given the highly technical and narrow nature of the authorized exemptions, CALSSA's proposal should be rejected as contrary to AB 2109's plain language.

**B. OIR Question 2: Please provide comments on the schedule. Should this proceeding initially focus on only a portion of the preliminary issues? If so, which issues should be addressed first and why?**

PG&E was heartened to see that no party seems to disagree that the OIR would be best managed by designating separate, staggered – though partially overlapping – tracks.

First, by PG&E's count, 25 of the 31 parties that filed opening comments opined on the issues posed by the CPUC regarding Large Load customers. Across the IOUs, ratepayer advocacy groups, and environmental, energy, and industry groups who commented, there is a broad (although not universal) consensus that the CPUC should prioritize issues posed by rapid emergence of Large Load customers.<sup>25</sup> What these comments make clear is the need to promptly address Large Load issues. To do so, the Scoping Memo should adopt PG&E's proposal to prioritize Large Load issues as the OIR's first scheduling track, specifically focusing on the issues PG&E proposed be addressed in Track 1(a).

Second, PG&E agrees with other parties, like Cal Advocates and TURN, who request the Commission ensure existing customers do not see cost shifts as a result of Large Load customers.<sup>26</sup> To accomplish this, the adopted schedule should prioritize resolving PG&E's proposed Track 1(a) and Track 1(b) matters. Although the schedule must balance the urgency with the need to develop a factual record sufficient to establish a separate Large Load customer class, PG&E does not recommend

23/ Pub. Util. Code §§ 451.7 (a) and (d).

24/ *Id.* §(c).

25/ *See, e.g.*, CEJA OC, p. 6; Sierra Club OC, pp. 9-10; Dream Big, OC, p. 5; SCE OC, p. 2.

26/ Cal Advocates OC, p. 3; TURN OC, p. 10.

deferring a final decision past Q2 2027, as suggested by some. Timely implementation requires this OIR decision be more specific than simply establishing what some called guiding principles.

Third, PG&E disagrees with CLECA's and United's recommendations to prioritize resolving AB 2109 issues, as well as United's suggestion of incorporating AB 2109 issues within the Large Load track.<sup>27</sup> While the CPUC must act on AB 2109, the Legislature did not impose a deadline to do so. Elevating AB 2109 risks delaying resolution of matters that are more consequential to California and customers as a whole, such as Large Load rate design. Nor should AB 2109 be consolidated within the Large Load track. AB 2109 presents distinct statutory and technical issues that do not align with the significant policy questions attendant to the CPUC's SB 57 Large Load obligations. By addressing AB 2109 issues in a separate, appropriately sequenced track (and not subsuming it within the Large Load track), the CPUC can best support efficient resolution of both matters here.

Finally, given the large volume of comments, the CPUC might consider issuing an initial Scoping Memo that schedules Large Load issues as the earliest phase of this proceeding, so this urgent track gets underway quickly. Identification of specific starting dates for later-tracked issues could be finalized in a future Amended Scoping Memo.

**C. OIR Question 3: What changes or updates are needed to improve the income verification processes used for the Base Services Charge adopted in D.24-05-028? Please see Process Working Group Final Report in OIR Attachment A.**

PG&E questions TURN's and Cal Advocates' use of opening comments to set forth substantive modifications to the consultant report's near-term geographic proxy method for potentially initially allocating customers to moderate versus high "income" tiers. No party disagrees that the consultant's recommendation did not represent a consensus of the parties,<sup>28</sup> nor that the report's early estimates of likely costs were insufficiently robust to provide a valid basis for adopting any potential near-term approach based on the current record.<sup>29</sup>

PG&E strongly cautions the CPUC not to adopt any structural changes to the initial BSC until it cures the current lack of an adequate record for adopting any modification to the initial BSC approach. PG&E believes it would be unwise from an affordability standpoint to move forward without a more careful review of costs and customer impacts. Attempting to do so now without an

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27/ CLECA OC, pp. 3-4; United OC, pp. 1 and 8; see also NRDC OC, pp. 13-14.

28/ See e.g., TURN OC, pp. 5-6; Cal Advocates OC, pp. 13-16.

29/ See, e.g., *id.*

additional evidentiary record would constitute legal error; instead, the schedule should provide time to compile the appropriate evidence and carefully consider the impact, including on affordability, of any alternative income verification approaches.

**D. OIR Question 4: Are there any P.U. Code statutory interpretation issues that were not resolved in R.22-07-005 that should be considered in this OIR...?**

No further comment at this time (*see* pp. 11 - 12 of PG&E's OC).

**E. OIR Question 5: AB 205 amended Pub. Util. Code Section 739.9(c) to eliminate the requirement that the Commission "require each electrical corporation to offer default rates to residential customers with at least two usage tiers." Is it consistent with P.U. Code to consider adopting default time-of-use rates that do not include usage tiers?**

No further comment at this time (*see* pp. 12-13 of PG&E's OC).

**F. OIR Question 6: What rate designs and tariff service agreement terms have been adopted in other states or regions for data center customers? Have other states or regions created a separate customer class for data center customers? Should these rates be applicable in California? If so, how?**

PG&E addresses issues relevant to Large Load customers in response to OIR Questions 1 and 2 above, and in PG&E's OC, pp. 13 -15. PG&E has no further comments on Question 6's substance, as the answers do not seem directly pertinent to a decision on scope and schedule.

**G. OIR Question 7: What rate designs have been adopted in other states or regions for other large load customers, including for industrial heat process producers and large commercial hydrogen generation, to support electrification, beneficial load growth and load flexibility? Should these rate designs be applicable in California? If so, how?**

PG&E addresses issues relevant to AB 2109 in response to OIR Questions 1 and 2 above, and in PG&E's OC, pp. 15- 17. PG&E has no further substantive comments on Question 7, as the CPUC need only issue a procedural decision on scope and schedule at this time.

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