FILED
05/22/26
04:59 PM
A2411007

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval of Electric Rule No. 30 for Transmission-Level Retail Electric Service.	Application 24-11-007

PACIFIC GAS AND ELECTRIC COMPANY NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby gives notice of the following ex parte communication in the above captioned proceeding.

Bill Chiang, Regulatory Relations Advocacy Manager PG&E, initiated the oral communication via Webex on Tuesday, May 19, 2026, at 3:30 PM, with the following persons in attendance: Victor Smith, Deputy Chief of Staff and Erica Petrofsky, Energy Advisor to Commissioner Darcie Houck. Participating in the meeting for PG&E: Chelle Izzi, Senior Vice President and Chief Commercial Officer; Karen Khamou Ornelas, Director Commercial Solutions Sales; and Bill Chiang, Regulatory Relations Advocacy Manager.

SUMMARY:

At the meeting, Ms. Izzi provided a status update on the Electric Rule 30 proceeding and discussed PG&E's positions on upfront funding of Facility Type 4 and refund methodology.

Ms. Izzi highlighted the multiple ratepayer protection provisions included in proposed Electric Rule 30 and described the ratepayer benefits that large-load customers located in PG&E's service territory may bring. Ms. Izzi also discussed both the risks ratepayers may face if upfront payments for Facility Type 4 are required and the associated risks of load moving to other jurisdictions.

Ms. Ornelas gave an overview of customer financial responsibilities for Facility Type 1-3 and how they differ from proposed financial formulas for Facility Type 4. Ms. Ornelas described the current Transmission Access Charge (TAC) allocations among California Investor-Owned Utilities (IOUs) and Publicly Owned Utilities (POUs) and details of the Resolution E-5420 proposal.

PG&E's presentation included a brief slide deck which is attached here.

Respectfully submitted,

/s/ Nika Kjensli

Nika Kjensli
Chief, Regulatory Relations Advocacy
CPUC Communications
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, CA 94612
Phone: 415-209-3654
E-mail: Nika.Kjensli@pge.com

Dated: May 22, 2026

Electric Rule No. 30
Application 24-11-007
May 2026

Agenda

1. Electric Rule 30 Should Lead to Affordability, Certainty, Speed
2. Enable Transmission Growth That Lowers Rates, Deliver System Benefits, and Ensure Fair Cost Responsibility
3. Rule 30 Has the Necessary Balance of Protections in Place
4. Requiring Upfront Funding for Type 4 Costs Creates Risk to Ratepayers
   - Example – PG&E Ratepayers still pay Upgrade Costs But Forgo Opportunity for Rate Reducing Load Growth
5. 75% Revenue Refund Method Is a Proven, Supported, and Low-Risk Approach
6. Recommended Approach: 75% Revenue Refund; Continue TAC Recovery for Type 4 Upgrades

Electric Rule 30 Should Lead to Affordability, Certainty, Speed

- Electric Rule 30 intended to create default rules for retail interconnection at the transmission-level
- Currently, Electric Rules 15 and 16 address distribution-level interconnections; exceptional case filings required for every transmission interconnection
- PG&E's twin goals for Electric Rule 30:
  - Establish clear interconnection rules for transmission-level customers to incentivize and speed development, which can result in rate reduction for other ratepayers
  - Protect existing ratepayers, in the event load does not materialize
- Parties agree on many issues: minimum demand charges; minimum contract term; early termination fee; cost allocation for facilities serving individual customers (Facility Types 1-3); information sharing
- Key Disputed Issues
  - Upfront funding for transmission network upgrades (or "Facility Type 4") – upgrades to the existing transmission system
  - Structure of minimum demand charge (parties agree generally that there should be a charge)
  - Refund methodology
  - Whether certain customers should be exempted from Rule 30 provisions

Enable Transmission Growth That Lowers Rates, Deliver System Benefits, and Ensure Fair Cost Responsibility

Guiding Principles:

- Transmission load growth should reduce rates for existing customers
- Cost responsibility and refund terms should be clear and reasonable for all applicants requesting retail electric service at the transmission-level
- Facility Type 4 Transmission Upgrades provide system-wide benefits and serve all customers
- Rule 30 should not incentivize customers to locate outside of CPUC jurisdictional areas, as those customers provide benefits:
    - Rule 30 customers could lower the costs of public purpose programs for existing customers
    - Infrastructure needed to interconnect Transmission Load customers has reliability benefits
    - Interconnecting new Transmission Load customers has the potential to reduce electric bills for all customers

Rule 30 Has the Necessary Balance of Protections in Place

PG&E has benchmarked with other states and has proposed the following protections in Rule 30:

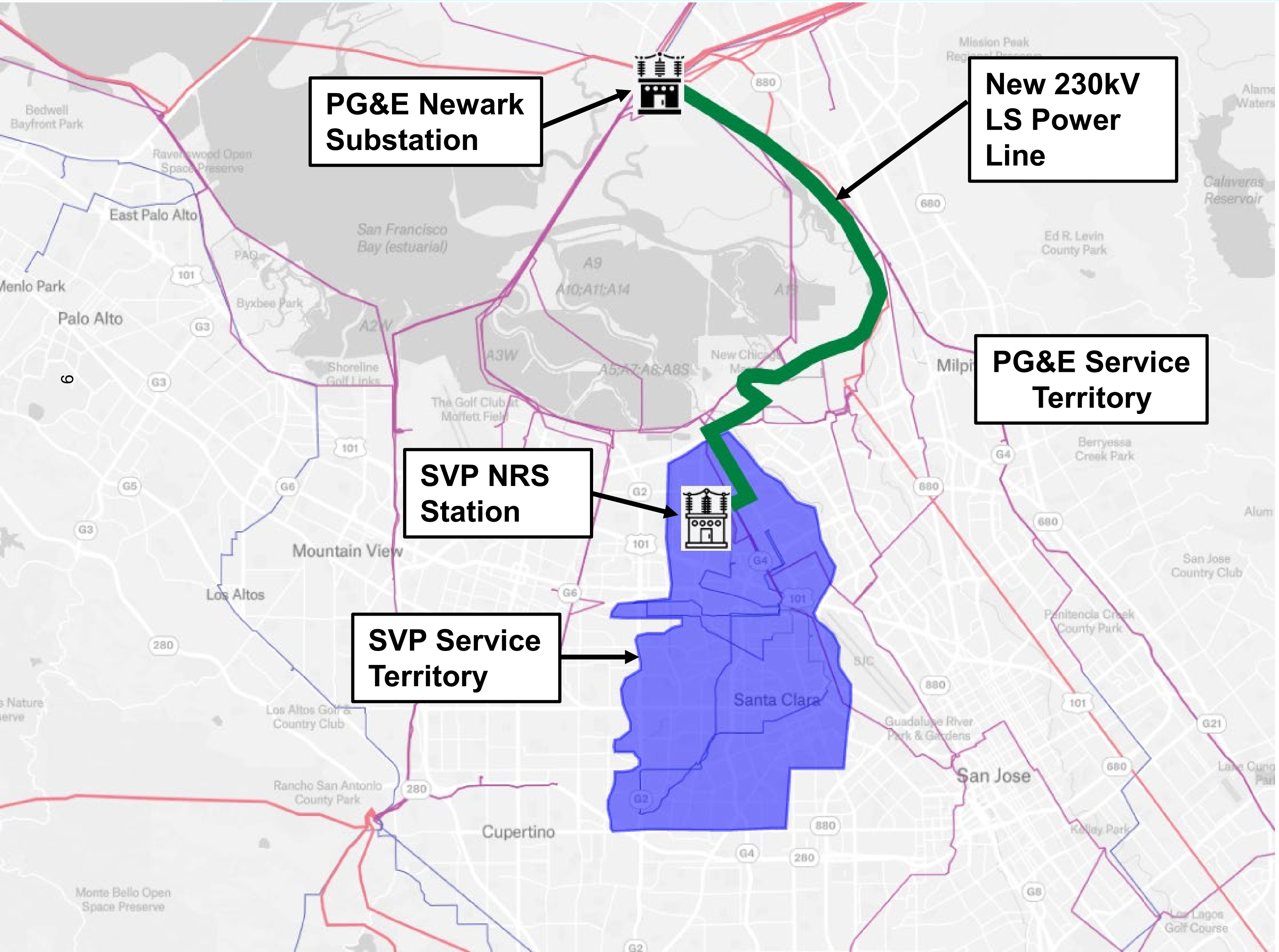
- **Upfront Funding** – Requires customer to pay 100% of the costs upfront for upgrades needed for interconnection (Facility Types 1-3)
  - Example: Customers pay the full costs upfront for transmission service lines and new switching stations
  - Refunds are contingent on customer's revenue after energization
- **Minimum Demand Charges** – Requires customers to pay minimum charges equal to 75% of the load requested over a 15-year period
  - Example: Under PG&E's proposal, if a customer requests 100 MW of load, they may be required to pay for a minimum of 75 MW of load each month
- **Termination Fees** – Requires customers to repay total interconnection costs (Facility Types 1-3) if service is terminated before 15 years after energization
  - Example: If interconnection upgrades costs $25 million and a customer terminates service in year 10, the customer must repay the $25 million less any deprecation to PG&E

Requiring Upfront Funding for Type 4 Costs Creates Risk to Ratepayers

Requiring transmission-level customers to fund Facility Type 4 upfront creates an uneven playing field, as these are typically shared cost across all CAISO users (POU and IOU). This means:

- Transmission customer(s) may locate in POU service territory or outside California
- PG&E may still need to build transmission network upgrades in its service territory to support transmission level customers locating in POU service territory
- PG&E ratepayers would still pay for transmission network upgrades through the CAISO network transmission costs allocated to PG&E's transmission rates but would not benefit from the offsetting revenue
- Because POU customers are not PG&E retail customers, their rates are not set by PG&E and they are not under CPUC jurisdiction

PG&E Ratepayers Pay Upgrade Costs But Forgo Opportunity for Rate Reducing Load Growth



Purpose:

- CAISO approved new 230kV lines that support SVP load growth in the area

Cost:

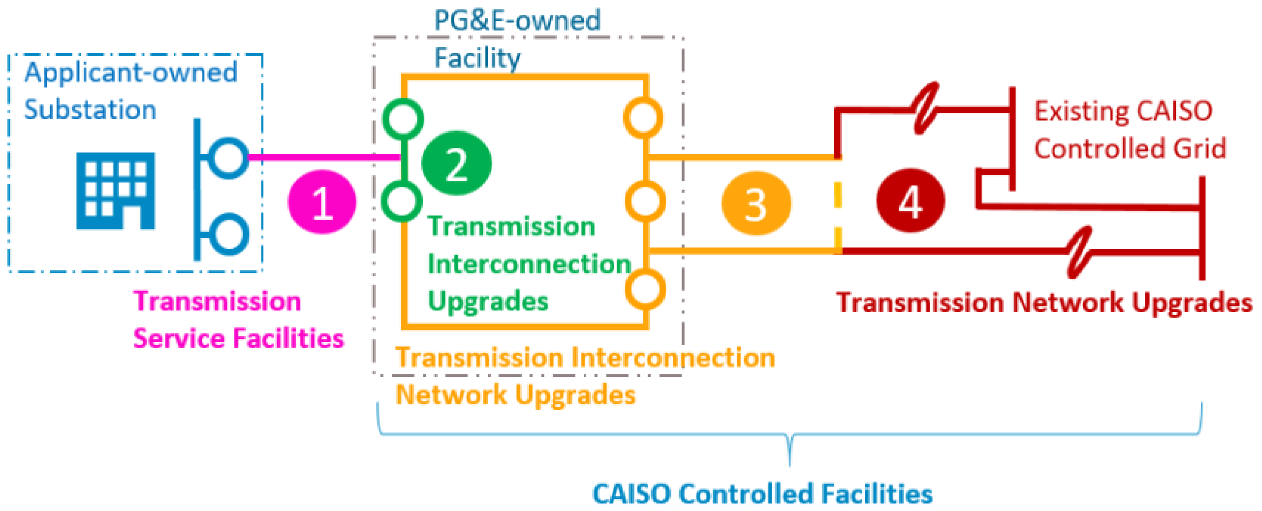
- Estimated Costs: $593-858M

Cost Recovery:

- SVP customers will not fund upfront costs;
- Costs are recovered via the Transmission Access Charge (TAC) which is paid in proportion to load for utilities that are connected to the CAISO (e.g., PG&E ~44%, SCE ~44%, SDG&E ~9%)
- POUs also pay TAC but have a smaller contribution

75% Revenue Refund Method Is a Proven, Supported, and Low-Risk Approach

- Resolution E-5420 (and E-5433 and E-5439) addressed data center exceptional case filings.
  - To account for Facility Type 4 costs, Commission resolved to limit refunds of Facility Type 1-3 advances to 75% of annual net revenue
  - "[W]e find it is reasonable for 25 percent of [customer]'s net revenue to be held back to account for the costs of the transmission network that are not part of the direct energization of the customer, such as ongoing maintenance and broader grid upgrades"
- TURN and Cal Advocates have expressed support for this as an option
- To date, this has not pushed customers away (a genuine risk for other proposals)
- Straightforward to implement and would create certainty and continuity for customers



Recommended Approach: 75% Revenue Refund; Continue TAC Recovery for Type 4 Upgrades

Following these guiding principles and risks, we recommend:

- Rule 30 should not incentivize customers to locate outside of CPUC jurisdictional areas
- Type 4 Network Upgrades should continue to be recovered through CAISOs Transmission Access Charge (TAC)
- Continue to use refund method from Resolution E-5420 (75% of annual net revenue)
    - Addresses Facility Type 4 costs, without non-competitive upfront financing
    - Broad consensus: Rule 30 intervenors indicated support for this approach
    - Clarity and certainty for customers; received better than upfront financing

Appendix

Key Rule Issues Still Need to Be Resolved

- November 21, 2024: PG&E files application for Electric Rule 30
- July 28, 2025: Rule 30 Interim Implementation granted
  - No customer to date has used interim implementation as D.25-07-039 creates uncertainty related to Facility Type 4 costs, refund methodology and timing
- November 2025 – January 2026: ALJ Toy suspends proceeding, reopens testimony on Facility Type 4 costs
- April 15 – 17, 2026: Rule 30 hearings for limited testimony
- May 7, 2026: partial settlement on information sharing, CCA coordination filed
- May 8, 2026: opening briefs filed
- May 22, 2026: reply briefs to be filed and addressing
  - Transmission facility installation requirements and metering
  - Cost responsibility (e.g., Advances, Actual Cost Payments, and Contributions)
  - Refunds
  - Minimum Demand Charges
  - Early Termination Fees and Term Limits

PG&E Data Center Pipeline

Data Center Pipeline

MWs	December 2025	March 2026
Total	**7,250**	**5,390**
Application & Preliminary Engineering	3,600	650
Final Engineering	3,550	**4,600**
Construction	100	140

2026 Cluster Study

Evaluating **10+ GWs** of pre-application interest

Next Steps

- **May:** Preliminary Engineering Study payments due
- **June:** Capacity studies begin
- **Q3:** Capacity availability and timelines provided to customers