



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

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Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, and Other Activities for the Record Period January 1 through December 31, 2024

Application No. 25-02-013  
(Filed February 28, 2025)

(U 39 E)

**JOINT MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E),  
THE PUBLIC ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC  
UTILITIES COMMISSION, AND THE CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION FOR ADOPTION OF SETTLEMENT AGREEMENT**

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Dated: May 22, 2026

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**I. INTRODUCTION**

In accordance with Rules 1.8(d) and 12.1 of the Commission’s Rules of Practice and Procedure, Pacific Gas and Electric Company (“PG&E”) submits this Joint Motion for Adoption of Settlement Agreement on behalf of itself, the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”), and the California Community Choice Association<sup>1</sup> (“CalCCA”) (collectively, the “Settling Parties”). The Settlement Agreement is included as an attachment to this Joint Motion. The Settling Parties enter into this Settlement Agreement as a compromise of their respective litigation positions to resolve all disputed issues raised in the

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<sup>1</sup> California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale’s Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

above-captioned proceeding before the California Public Utilities Commission (Commission) and request that the Commission approve the Settlement Agreement as presented.

## **II. PROCEDURAL BACKGROUND**

On February 28, 2025, PG&E filed its *Application for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement, and Other Activities for the Record Period January 1 through December 31, 2024* (A.25-02-013, “Application”). Concurrent with filing the Application, PG&E also served its Prepared Testimony and workpapers, as well as responses to the Cal Advocates and CalCCA Master Data Requests (MDRs).

On April 4, 2025, Cal Advocates and CalCCA filed protests to PG&E’s application. PG&E filed a reply to the protests on April 14, 2025.

The Assigned Administrative Law Judge (ALJ) held a prehearing conference on April 18, 2025, to discuss the issues of law and fact and to determine the need for hearing and a schedule for resolving the proceeding.

On May 2, 2025, Commissioner John Reynolds issued an Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo).

On September 15, 2025, Cal Advocates and CalCCA served their Testimony.

On October 24, 2025, PG&E served its Rebuttal Testimony.

On November 3, 2025, PG&E, CalCCA and Cal Advocates submitted a Joint Status Conference Statement reporting that CalCCA believed hearings may be necessary, and jointly requesting to re-open discovery and the deadline for completion of settlement discussions. In response, on November 10, 2025, the ALJ issued a ruling re-opening discovery and amending the proceeding schedule for settlement discussions, status conference and evidentiary hearing.

In accordance with the November 10, 2025 ruling, CalCCA served and PG&E responded to data requests and thereafter reported in an Updated Joint Status Conference Statement that CalCCA no longer believed hearings necessary. On December 2, 2025, the ALJ held a virtual

status conference, at which the ALJ modified the proceeding schedule to remove evidentiary hearings.

On December 15, 2025, the parties filed a Joint Motion to Enter Evidence into the Evidentiary Record, accompanied by PG&E's Motion to Seal the Evidentiary Record. Both motions were granted on December 23, 2025.

On December 22, 2025, the ALJ issued a ruling directing PG&E to prepare supplemental testimony regarding vintaging of a specific group of community choice aggregator (CCA) customers. The ruling also amended the proceeding schedule to allow time for the additional testimony.

On January 6, 2026, PG&E sent a procedural email to the ALJ. In that email, PG&E stated that (1) it would likely need more time to prepare the testimony directed in the ALJ's December 22 ruling, and (2) CalCCA would like more time to respond to the additional testimony.

On January 26, 2026, the assigned ALJ held a status conference to discuss PG&E's need for an extension. The following status conference, the ALJ issued a ruling on February 2, 2026. , In that ruling, the ALJ directed PG&E to submit supplemental testimony on March 11, 2026, and set a deadline of April 10, 2026 for CalCCA to submit reply testimony.

Subsequently, PG&E served its supplemental testimony on the March 11, 2026 deadline. In a procedural email sent on April 10, 2026, CalCCA notified the parties that it did not intend to submit reply testimony.

On April 14, 2026, PG&E, CalCCA and CalAdvocates filed a Joint Motion to Admit Supplemental Testimony and Workpapers into the Evidentiary Record in accordance with the ALJ's February 2, 2026 ruling. The ALJ granted that motion on May 12, 2026.

Cal Advocates and CalCCA have reviewed PG&E's Application, testimony, supplemental testimony, workpapers, and discovery responses, and do not object to the relief requested in PG&E's Application, subject to the terms of this Settlement Agreement.

### **III. SUMMARY OF SETTLING PARTIES' LITIGATION POSITIONS**

#### **A. PG&E's Position**

In its Application, PG&E requested that the Commission find:

- PG&E prudently administered and managed its utility-owned generation (UOG) facilities and Qualifying Facility (QF) and non-QF contracts in compliance with all applicable rules, regulations, and Commission decisions, and Standard of Conduct (SOC) 4, including for the 2023 Belden and Caribou 1 Powerhouse outages and two 2023 Diablo Canyon Power Plan maintenance outages;
- PG&E achieved least-cost dispatch of its energy resources and economically triggered demand response programs pursuant to SOC 4;
- The entries recorded in the Energy Resources Recovery Account (ERRA) and the Portfolio Allocation Balancing Account (PABA) are reasonable, appropriate, accurate, and in compliance with Commission decisions;
- PG&E's fuel procurement and hedging activities complied with its Commission approved Bundled Procurement Plan (BPP);
- PG&E's greenhouse gas compliance instrument procurement complied with its BPP;
- That PG&E administered resource adequacy procurement and sales consistent with its BPP during the record period;
- The costs incurred and recorded in the Green Tariff Shared Renewables Memorandum Account, Green Tariff Shared Renewables Balancing Account, Disadvantaged Communities Single Family Solar Affordable Homes Balancing Account, Disadvantaged Community Green Tariff Balancing Account, Community Solar Green Tariff Balancing Account, and the Centralized Local Procurement Sub-Account were consistent with applicable tariffs and Commission directives;
- The transactions presented in PG&E's Prepared Testimony, including contract amendments related to the Alpine Solar, Agua Caliente Solar and Daggett 2 BESS

projects, and the Poblano Energy Storage Project, are reasonable and should be approved.

- That PG&E correctly calculated unrealized volumetric sales and unrealized revenue associated with Public Safety Power Shutoff events during the record period using the Commission's approved methodology.

#### **B. Cal Advocates' Position**

Cal Advocates raised in its Protest to PG&E's Application that the following four additional accounts should be included for review within the proceeding's scope:

- New System Generation Balancing Account (NSGBA);
- Modified Transition Cost Balancing Account (MTCBA);
- Tree Mortality Non-Bypassable Charge Balancing Account (TMNBCBA); and
- BioMat Non-Bypassable Charge Balancing Account (BMNBCBA).

Cal Advocates also made the following two recommendations in its September 15, 2025 testimony based on its review of PG&E's Application, Prepared Testimony, workpapers, and discovery responses:

First, as related to PG&E's administration and management of its UOG facilities, Cal Advocates recommended that the Commission order PG&E to:

- Hire an outside consultant, such as a metallurgist, to determine the cause of the premature failure of the exhaust valve at Humboldt Bay Generating Station, Unit 3 on August 9, 2024 and to prepare a root cause evaluation report.
- Provide, in the next ERRA Compliance filing following the completion of the metallurgy analysis, a copy of the metallurgical report of the failed Unit 3 exhaust valve and its follow-up actions.

Second, as related to review of balancing and memorandum accounts presented, Cal Advocates recommended that the Commission direct PG&E to:

- Adjust a credit associated with the Portfolio Allocation Balancing Account (PABA) tariff line-item 5.a.e for Cost-Allocation Methodology (CAM) replacement Resource Adequacy (RA) using the most recent RA Market Price Benchmark (MPB).
- Adjust the credit associated with PABA tariff line item 5.p for the gain on sale of the Burney Gardens property to account for errors in PG&E's initial assessment of the time the asset spent as Non-Utility Property (NUP) and a minor error in the stated purchase date of an asset.

**C. CalCCA's Position**

CalCCA's testimony, also served on September 15, 2025 following review of PG&E's Application, Prepared Testimony, workpapers, and discovery responses, asserted and recommended the following:

- As to PG&E's Retained Resource Adequacy (RA), CalCCA asserted that the Operational Constraints PG&E recognized as Retained RA in the PABA are inconsistent with the Operational Constraints approved by the Commission and specified in PG&E's BPP, and recommended that PG&E should recategorize RA capacity related to the approved Operational Constraints by reducing Unsold RA and increasing Retained RA.
- As to PG&E's testimony concerning its internal audit of Power Charge Indifference Adjustment (PCIA) vintaging of CCA customers, CalCCA recommended that PG&E should be required to file supplemental testimony detailing how its programming logic used for assigning customer vintages complies with the requirements of Decision (D.) 16-09-044 for all CCA customers and detailing the extent and impact of an issue identified for customers moving to a new address after opting out of and then back into CCA service.
- CalCCA noted that PG&E disclosed that it did not credit PABA for the value of the excess RA used to meet its incremental system reliability procurement targets in October 2024, but that through discovery PG&E confirmed that it made a correction

in April 2025 by crediting the PABA for the value of the October excess RA, plus the associated interest. CalCCA recommended that the Commission approve this correction to PG&E's record year accounting entries.

**D. Issues Resolved Through PG&E's Rebuttal Testimony**

PG&E's rebuttal testimony resolved Cal Advocates' recommendations relating to adjustments to the PABA. Namely, PG&E explained in its rebuttal testimony that (1) it made the adjustment Cal Advocates recommended associated with PABA tariff line-item 5.a.e for CAM replacement RA; and (2) it did not contest CalAdvocates' recommendation that PG&E adjust the credit associated with PABA tariff line item 5.p. for the gain on sale of the Burney Gardens property.

PG&E's rebuttal testimony also resolved CalCCA's recommendation concerning the credit to PABA associated with the excess RA used to meet its incremental system reliability procurement targets in October 2024. More specifically, PG&E agreed with CalCCA that the Commission should approve the correction PG&E made in April 2025 crediting the PABA for the value of the October excess RA, plus the associated interest.

The remainder of Cal Advocates' and CalCCAs' recommendations are addressed in the Settlement Agreement.

**IV. SUMMARY OF THE SETTLEMENT AGREEMENT**

The Settlement Agreement contains the following four substantive sections which set forth the Settling Parties resolution of the issues identified in Section III: (1) Humboldt Unit 3 Outage; (2) Balancing Accounts Reviewed; (3) Resource Adequacy; and (4) Customer Vintaging.

In Section 1, Cal Advocates agrees that PG&E recycled the exhaust value that prematurely failed on August 9, 2024; and as a result, Cal Advocates' recommendation to hire an outside consultant to perform a root cause evaluation is not possible. PG&E agrees that, in the event that Humboldt Unit 3 experiences a forced outage due to a repeat exhaust valve failure, PG&E will conduct an apparent cause or root cause analysis of the exhaust valve failure.

In Section 2, PG&E agrees to include the four balancing accounts Cal Advocates identified in its Protest for an accounting review—i.e., that the entries recorded comply with Commission decisions and rulings—in its ERRRA Compliance applications on a going forward basis.

In Section 3, CalCCA agrees that it is reasonable for PG&E to calculate Retained RA in its 2024 RA Tracker using final capacity values (also referred to as “Derates”) used for monthly compliance filings and that PG&E need not modify its Retained RA accounting for the record period.

In Section 4, CalCCA agrees that PG&E’s supplemental testimony adequately addresses the recommendations set forth in CalCCA’s testimony concerning PG&E’s PCIA vintaging of CCA customers that opt-out of CCA service, relocate, and opt-in to CCA service, and agrees that PG&E’s billing system logic assigns vintages to those customers in a manner that is consistent with the Commission’s vintaging directives.

**V. THE COMMISSION SHOULD ADOPT THE SETTLEMENT AS REASONABLE, CONSISTENT WITH THE LAW, AND IN THE PUBLIC INTEREST**

Commission Rule 12.1(a) requires the Settling Parties to disclose “any separate agreements between the settling parties that relate to issues in the proposed settlement but are not disclosed in the settlement.” There are no such separate agreements between the Settling Parties relating to the issues in the proposed Settlement Agreement here.

Commission Rule 12.1(d) sets forth the standard for adoption of settlements: “The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law and in the public interest.” The Commission approves settlement agreements based on whether the settlement agreement is just and reasonable as a whole, not based on its individual terms:

In assessing settlements we consider individual settlement provisions but, in light of strong policy favoring settlements, we do not base our conclusion on whether any single

provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.<sup>2</sup>

Numerous Commission decisions “have endorsed settlements as an ‘appropriate method of alternative ratemaking’ and express a strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.”<sup>3</sup> It is long-standing Commission policy to strongly favor settlement.<sup>4</sup> This policy supports many worthwhile goals, including not only reducing the expense of litigation and conserving scarce Commission resources, but also allowing parties to reduce the risk that litigation will produce unacceptable results.<sup>5</sup>

**A. The Agreement is Reasonable In Light of the Record as a Whole**

The Settling Parties are knowledgeable and experienced regarding the issues in this ERRA Compliance proceeding and represent distinct and affected interests: PG&E, which is responsible for procuring power to serve its customers; Cal Advocates, the Commission’s independent ratepayer advocacy office; and CalCCA, representing the interests of CCA customers.

The Settling Parties reached agreement after the submission of lengthy testimony, including supplemental testimony, extensive discovery, careful analysis of issues, and settlement discussions. The Settlement Agreement reflects compromise based on the substantial record in this proceeding. For example, through testimony and discovery, Cal Advocates and PG&E agree that should Humboldt Unit 3 experience a further forced outage associated with an exhaust valve failure, an apparent or root cause analysis of the exhaust valve failure will be conducted. PG&E’s testimony and data request responses also support CalCCA’s agreement that PG&E need not modify its Retained RA accounting for the record period, and that its billing system logic correctly assigns vintages to customers who opt out of CCA service, opt-in, and relocate within the same CCA. The fact that PG&E, Cal Advocates, and CalCCA were able to find

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<sup>2</sup> D.10-04-033, p. 9.

<sup>3</sup> See e.g., D.05-10-041, p. 47; D.15-03-006, p. 6; and D. 15-04-006, p. 8.

<sup>4</sup> D.10-06-038, p. 38.

<sup>5</sup> D.14-12-040, p. 15.

common ground through record development and in areas where they originally differed indicates that the Settlement is reasonable in light of the whole record and reflects a reasonable balance of the various interests affected in this proceeding.

**B. The Agreement is Consistent with Law and Prior Commission Decisions**

The Settling Parties believe that the terms of the Settlement Agreement comply with all applicable statutes, including the prospective actions that PG&E will take in future ERRA Compliance proceedings. Applicable statutes include Public Utilities Code § 451, which requires that utility rates must be just and reasonable, and Public Utilities Code § 454, which prevents a change in public utility rates unless the Commission finds such an increase justified.<sup>6</sup> In this case, both Cal Advocates and CalCCA have extensively reviewed and audited the information PG&E presented in testimony and discovery responses to conclude that, subject to the terms of the Settlement Agreement, PG&E should be granted the relief requested in its Application.

Under the Settlement Agreement, PG&E agrees to undertake several prospective actions.<sup>7</sup> The Commission has used ERRA Compliance proceedings to address prospective issues, such as the actions addressed in this Settlement Agreement. For example, in D.09-12-002, the Commission directed that, prior to the next ERRA Compliance application, PG&E confer with Cal Advocates regarding PG&E's internal auditing of contract management activities.<sup>8</sup> In D.11-07-039, the Commission adopted additional prospective requirements regarding internal auditing.<sup>9</sup> The Commission also approved prospective actions in the settlement of PG&E's 2011 ERRA Compliance application in D.14-01-011, and in PG&E's 2017 ERRA Compliance Application in D.18-02-015. Thus, including prospective actions in the Settlement Agreement is consistent with Commission precedent in previous ERRA Compliance proceedings.<sup>10</sup>

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<sup>6</sup> See D.14-01-011, p. 14; D.15-05-015, p. 14.

<sup>7</sup> Settlement, Sections 1 and 2.

<sup>8</sup> D.09-12-002, OP 3.

<sup>9</sup> D.11-07-039, OP 2-3.

<sup>10</sup> D.14-01-011, p. 14 (prospective remedies consistent with the law).



**Application No. 25-02-013**

**PACIFIC GAS AND ELECTRIC COMPANY**

**ATTACHMENT**

**SETTLEMENT AGREEMENT**

**BETWEEN PACIFIC GAS AND ELECTRIC COMPANY (U 39 E), THE PUBLIC  
ADVOCATES OFFICE AT THE CALIFORNIA PUBLIC UTILITIES COMMISSION,  
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AND THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION**

Pacific Gas and Electric Company (PG&E), the Public Advocates Office at the California Public Utilities Commission (“Cal Advocates”), and the California Community Choice Association (CalCCA) (collectively, the “Settling Parties”) enter into this Settlement Agreement as a compromise of their respective litigation positions in order to resolve all issues raised by Cal Advocates and CalCCA in the above captioned proceeding before the California Public Utilities Commission (Commission). The Settling Parties have addressed all of the issues in this proceeding and have negotiated this Settlement which resolves all their disputes.

**PROCEDURAL HISTORY**

On February 28, 2025, PG&E filed its *Application for Compliance Review of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Owned Generation Fuel Procurement and Other Activities for the Record Period January 1 through December 31, 2024*, A.25-02-013 (Application). Concurrent with filing the Application, PG&E also served its Prepared Testimony and workpapers, as well as

responses to the Cal Advocates and CalCCA Master Data Requests (MDRs).

On April 4, 2025, Cal Advocates and CalCCA filed protests to PG&E's application. PG&E filed a reply to the protests on April 14, 2025.

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On October 24, 2025, PG&E served its Rebuttal Testimony.

On November 3, 2025, PG&E, CalCCA and Cal Advocates submitted a Joint Status Conference Statement, which (1) stated that CalCCA believed hearings may be necessary, and (2) jointly requested that discovery be re-opened and the deadline for completing settlement discussions be amended. In response, on November 10, 2025, the Administrative Law Judge (ALJ) issued a ruling re-opening discovery and amending the proceeding schedule for settlement discussions, status conference and evidentiary hearing.

In accordance with the November 10, 2025 ruling, CalCCA served and PG&E responded to data requests, and thereafter reported in an Updated Joint Status Conference Statement that CalCCA no longer believed hearings were necessary. On December 2, 2025, the ALJ held a virtual status conference, at which the ALJ modified the proceeding schedule to remove evidentiary hearings.

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On January 6, 2026, PG&E sent a procedural email to the ALJ. In that email, PG&E stated that (1) it would likely need more time to prepare the testimony directed in the ALJ's December 22 ruling, and (2) CalCCA would like more time to respond to the additional testimony.

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Subsequently, PG&E served its supplemental testimony on the March 11, 2026 deadline. In a procedural email sent on April 10, 2026, CalCCA notified the parties that it did not intend to submit reply testimony.

On April 14, 2026, PG&E, CalCCA, and CalAdvocates filed a Joint Motion to Admit Supplemental Testimony and Workpapers into the Evidentiary Record, in accordance with the ALJ's February 2, 2026 ruling. The ALJ granted that motion on May 12, 2026.

Cal Advocates and CalCCA have reviewed PG&E's Application, testimony, supplemental testimony, workpapers, and discovery responses, and do not object to the relief requested in PG&E's Application, subject to the terms of this Settlement Agreement.

## **SETTLEMENT AGREEMENT TERMS AND CONDITIONS**

The Settling Parties agree to the following terms and conditions:

### **1. Humboldt Unit 3 Outage**

- 1.1. PG&E recycled the exhaust valve that prematurely failed on August 9, 2024; as a result, Cal Advocates' recommendation to hire an outside consultant to perform a root cause evaluation is not possible.
- 1.2. PG&E agrees that, in the event that Humboldt Unit 3 experiences a forced outage due to a repeat exhaust valve failure, PG&E will hire an outside consultant to conduct a root

cause analysis of the exhaust valve failure. The findings of the root cause analysis will be provided to Cal Advocates.

## **2. Balancing Accounts Reviewed**

2.1. PG&E agrees to include the following balancing accounts for review—i.e., to ensure that the entries recorded comply with Commission decisions and rulings—in its ERRA Compliance applications on a going-forward basis: (i) New System Generation Balancing Account; (ii) Modified Transition Cost Balancing Account; (iii) Tree Mortality Non-Bypassable Charge Balancing Account; and (iv) BioMat Non-Bypassable Charge Balancing Account.

2.2. The accounts listed in Section 2.1 are in addition to the following accounts that are already included in PG&E’s ERRA Compliance filings:

- Energy Resource Recovery Account (ERRA)
  - Recorded 2024 Year-End Balance: Credit of \$243,768,949
- Portfolio Allocation Balancing Account (PABA)
  - Recorded 2024 Year-End Balance: \$914,051,803
- Green Tariff Shared Renewables Memorandum Account (GTSRMA)
  - Recorded 2024 Cost: \$622,641
- Green Tariff Shared Renewables Balancing Account (GTSRBA)
  - Recorded 2024 Year-End Balance: \$15,720,796
- Renewables Portfolio Standard Cost Memorandum Account (RPSCMA)
  - Recorded 2024 Cost: \$0
- Disadvantaged Communities – Single Family Solar Affordable Homes Balancing Account (DACSASHBA)
  - Recorded 2024 Cost: \$5,114,495
- Disadvantaged Communities – Green Tariff Balancing Account (DACGTBA)
  - Recorded 2024 Cost: \$10,127,171

- Community Solar Green Tariff Balancing Account (CSGTBA)
  - Recorded 2024 Cost: \$123,136
- Centralized Local Procurement Sub-Account (CLPSA)
  - Recorded 2024 Administrative Costs: \$1,858,931

### **3. Resource Adequacy (RA)**

- 3.1. CalCCA agrees it is reasonable for PG&E to calculate Retained RA in its 2024 RA Tracker using final capacity values (also referred to as “Derates”) used for monthly RA compliance filings.
- 3.2. CalCCA agrees that PG&E need not modify its Retained RA accounting for the 2024 record period.

### **4. Customer Vintaging**

- 4.1. CalCCA agrees that PG&E’s supplemental testimony adequately addresses the recommendations set forth in CalCCA’s testimony concerning the vintaging of community choice aggregator (“CCA”) customers who affirmatively opt out of CCA service and later opt-in and relocate within the incumbent CCA territory. Out of 156 CCA customers who satisfied these criteria in the targeted queries PG&E conducted, only one customer had been improperly vintaged. PG&E identified the root of this improper vintaging to be human error rather than system logic.
- 4.2. As described in PG&E’s supplemental testimony, with respect to customers who opt out of CCA service, subsequently opt-in and relocate within the same CCA territory, PG&E’s billing system logic assigns vintages to those customers in a manner that is consistent with the Commission’s vintaging directives. Specifically, PG&E’s system assigns those customers a vintage based on the date they opted in to CCA service, and if the customer moves within the same CCA service area, they retain their vintage based on the date of opt-in. If a CCA customer moves within PG&E's service area to a CCA service area with a different vintage or a different phase-in date, that customer is assigned the default vintage for that location..

## **5. GENERAL PROVISIONS**

- 5.1.** In accordance with Rule 12.5, the Settling Parties intend that Commission adoption of this Settlement Agreement will be binding on the Settling Parties, including their legal successors, assigns, partners, members, agents, parent or subsidiary companies, affiliates, officers, directors, and/or employees. Unless the Commission expressly provides otherwise, and except as otherwise expressly provided herein, such adoption does not constitute approval or precedent for any principle or issue in this or any future proceeding.
- 5.2.** The Settling Parties agree that nothing contained in this Settlement Agreement is to be construed as an admission of liability, fault, or improper action by any Party.
- 5.3.** The Settling Parties agree that this Settlement Agreement is subject to approval by the Commission. As soon as practicable after the Settling Parties have signed this Settlement Agreement, the Settling Parties shall jointly file a motion for Commission approval and adoption of the Settlement Agreement. The Settling Parties will furnish such additional information, documents, and/or testimony as the ALJ or the Commission may require in granting the motion adopting this Settlement Agreement.
- 5.4.** The Settling Parties agree to support the Settlement Agreement and use their best efforts to secure Commission approval of the Settlement Agreement in its entirety without modification.
- 5.5.** The Settling Parties agree to recommend that the Commission approve and adopt this Settlement Agreement in its entirety without change.
- 5.6.** The Settling Parties agree that, if the Commission fails to adopt this Settlement Agreement in its entirety and without modification, the Settling Parties shall convene a Settlement Agreement Conference within fifteen (15) days thereof to discuss whether they can resolve the issues raised by the Commission's actions. If the Settling Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Settlement Agreement shall be rescinded, and the Settling Parties shall be released from

their obligation to support the Settlement Agreement. Thereafter, the Settling Parties may pursue any action they deem appropriate but agree to cooperate in establishing a procedural schedule.

**5.7.** The Settling Parties agree to actively and mutually defend the Settlement Agreement if its approval and adoption is opposed by any other party.

**5.8.** This Settlement Agreement constitutes the Settling Parties' entire Settlement Agreement, which cannot be amended or modified without the express written and signed consent of each of the Settling Parties hereto.

## **6. MISCELLANEOUS PROVISIONS**

**6.1.** The Settling Parties agree that no signatory to the Settlement Agreement or any employee thereof assumes any personal liability as a result of the Settlement Agreement.

**6.2.** If any Party fails to perform its respective obligations under the Settlement Agreement, any other Party may come before the Commission to pursue a remedy including enforcement.

**6.3.** The provisions of this Settlement Agreement are not severable. If the Commission, or any competent court of jurisdiction, overrules or modifies any material provision of the Settlement Agreement, the Settlement Agreement will be rescinded as of the date such ruling or modification becomes final if the Settling Parties fail to reach agreement pursuant to the Settlement Agreement Conference process set forth in Section 5.6 above.

**6.4.** The Settling Parties acknowledge and stipulate that they are agreeing to this Settlement Agreement freely, voluntarily, and without any fraud, duress, or undue influence by any other party. Each party states that it has read and fully understands its rights, privileges, and duties under the Settlement Agreement, including each Party's right to discuss the Settlement Agreement with its legal counsel and has exercised those rights, privileges, and duties to the extent deemed necessary.

**6.5.** In executing this Settlement Agreement, each Party declares and mutually agrees that the terms and conditions are reasonable, consistent with law, and in the public interest.

- 6.6.** No Party has relied, or presently relies, upon any statement, promise, or representation by any other Party, whether oral or written, except as specifically set forth in this Settlement Agreement. Each Party expressly assumes the risk of any mistake of law or fact made by such Party or its authorized representative.
- 6.7.** This Settlement Agreement may be executed in separate counterparts by the different Settling Parties hereto with the same effect as if all Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Settlement Agreement.
- 6.8.** This Settlement Agreement shall become effective and binding on the Settling Parties as of the date it is approved by the Commission in a final and non-appealable decision.
- 6.9.** This Settlement Agreement shall be governed by the laws of the State of California as to all matters, including but not limited to, matters of validity, construction, effect, performance, and remedies.

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The Settling Parties mutually believe that, based on the terms and conditions stated above, this Settlement Agreement is reasonable in light of the whole record, consistent with the law, and in the public interest. The Settling Parties' authorized representatives have duly executed this Settlement Agreement on behalf of the parties they represent.

PACIFIC GAS AND ELECTRIC  
COMPANY

/s/ Shilpa Ramaiya

SHILPA RAMAIYA  
Vice President, Regulatory Proceedings &  
Rates

Date: May 19, 2026

CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION

/s/ Leanne Bober

LEANNE BOBER  
Director of Regulatory Affairs and Deputy  
General Counsel  
California Community Choice Association

Date: May 20, 2026

PUBLIC ADVOCATES OFFICE AT THE  
CALIFORNIA PUBLIC UTILITIES  
COMMISSION

/s/ Nathaniel W. Skinner

Deputy Director – Energy & Admin, Public  
Advocates Office

Date: May 21, 2026