FILED
11/02/26
04:59 PM
A2502013

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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 (U 39 E)	Application No. 25-02-013 (Filed February 27, 2025)

OPENING COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON THE PROPOSED DECISION APPROVING PACIFIC GAS AND ELECTRIC COMPANY 2024 ENERGY RESOURCE RECOVERY ACCOUNT ENTRIES, AND APPROVING THE SETTLEMENT AGREEMENT BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, THE PUBLIC ADVOCATES OFFICE OF THE PUBLIC UTILITIES COMMISSION AND CALIFORNIA COMMUNITY CHOICE ASSOCIATION AND RELATED MATTERS

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Dated: November 2, 2026

SUBJECT INDEX OF RECOMMENDED CHANGES

Pursuant to Rule 14.3(b) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") provides this Subject Index of Recommended Changes in support of its Opening Comments on the Proposed Decision Approving Pacific Gas and Electric Company 2024 Energy Resource Recovery Account Entries, and Approving the Settlement Agreement Between Pacific Gas and Electric Company, the Public Advocates Office of the Public Utilities Commission and California Community Choice Association and Related Matters ("Proposed Decision").

PG&E recommends two targeted modifications to the Proposed Decision:

- Conclusion of Law 18 and Ordering Paragraph 5 of the Proposed Decision should be changed so that PG&E's new workpaper requirement for the dispatch of battery energy storage (BESS) resources starts with its 2026 ERRA Compliance application, not the 2025 application, and only for BESS resources dispatched by PG&E.
- The Proposed Decision's caution against recycling failed equipment at utility owned generation facilities should be clarified to apply only when a root cause analysis is warranted under the factors articulated in PG&E's rebuttal testimony, and to recognize that recycling or disposal may be prudent when those factors show such analysis is unwarranted. This proposal would not disturb the settlement with the Public Advocates Office of the Public Utilities Commission ("Cal Advocates") related to the outage at Humboldt Bay Generating Station Unit 3.

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I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") provides these opening comments on the Proposed Decision.

PG&E appreciates the Proposed Decision's careful review of the record, its approval of the all-party settlement agreement, and its finding that PG&E acted as a reasonable and prudent manager in compliance with applicable tariffs and Commission directives for the 2024 record period. PG&E recommends two targeted modifications to the Proposed Decision: (1) starting the new workpaper requirement for the dispatch of battery energy storage (BESS) resources with the 2026 record period, given the timing of this decision, and only for resources dispatched by PG&E; and (2) recognizing that, in certain circumstances, recycling failed equipment may be prudent.

II. DISCUSSION

A. The BESS Workpaper Requirement Should Begin with the 2026 Record Period and Apply Only to Resources Dispatched by PG&E

The Proposed Decision reasonably directs PG&E to provide additional workpapers relating to the dispatch of BESS resources. However, the start date for this new requirement should be modified, and the decision should be clarified to specify that the requirement applies only to resources dispatched by PG&E.

Conclusion of Law (COL) 18 and Ordering Paragraph (OP) 5 both direct PG&E to include this new workpaper detail commencing with PG&E's 2025 application. However, the record for the 2025 application is well advanced: PG&E's opening and rebuttal testimony were submitted in February and October 2026, respectively.[1] Because the submission of the testimony and supporting workpapers for the 2025 record period has concluded, applying the new requirement to that proceeding would require supplementing testimony already served and could disrupt the proceeding schedule. To avoid this outcome, PG&E recommends that COL 18 and OP 5 be modified to specify that the new workpaper requirement commences with PG&E's application for the 2026 record period, which will be submitted at the end of February 2027. In addition, PG&E currently does not dispatch any contracted BESS resources, and therefore to avoid ambiguity, recommends clarifying that the workpaper detail only apply to BESS resources dispatched by PG&E. Accordingly, PG&E proposes the following modifications to the Proposed Decision:[2]

COL 18: It is reasonable for PG&E to provide workpapers detailing the dispatch frequency of ~~**its UOG and contracted**~~ BESS resources **dispatched by PG&E** in the top 500 highest-value energy hours in each record year in subsequent ERRA Compliance applications. Unless or until the Commission institutes a

[1] *See* Assigned Commissioner's Scoping Memo and Ruling, A.26-02-019 (issued May 26, 2026), pp. 1, 4 (reflecting PG&E's filing of its ERRA Compliance Application for the 2025 record period, and setting dates for intervenor and PG&E rebuttal testimony of September 11 and October 16, 2026, respectively).

[2] Proposed deletions are reflected in bold strikeout; proposed additions are reflected in bold underline.

rulemaking covering storage resources, including promulgating standards governing least cost dispatch requirements for energy storage, the Commission should direct PG&E to provide this information in future ERRA Compliance applications commencing with PG&E's ~~2025~~ **2026** ERRA Compliance application.

OP 5: Commencing with its ~~2025~~ **2026** Energy Resource and Recovery Account Compliance application and in subsequent Energy Resource and Recovery Account Compliance applications, Pacific Gas and Electric Company shall provide workpapers detailing the dispatch frequency of ~~its utility-owned generation and contracted~~ battery energy storage system resources **dispatched by PG&E** in the top 500 highest-value energy hours in each record year, unless or until the Commission institutes a rulemaking covering storage resources, including promulgating standards governing least cost dispatch requirements for energy storage.

B. The Proposed Decision Should Clarify that Recycling Failed Parts at Utility Owned Generation Facilities Is Reasonable Under Certain Circumstances

PG&E appreciates that the Proposed Decision approves the settlement reached with Cal Advocates concerning the forced outage at PG&E's Humboldt Bay Generating Station Unit 3 due to an exhaust valve failure. However, PG&E is concerned that the Proposed Decision—in "caution[ing] PG&E about recycling failed parts if doing so would thwart a root cause analysis of their failure"[3]—could be read to suggest more generally that PG&E should store failed parts, regardless of the circumstances, to enable a potential future root cause analysis.

As PG&E explained in its rebuttal testimony, it is not always prudent or in the best interest of customers to conduct a root cause analysis of failed parts.[4] PG&E carefully considers several factors in determining whether a root cause analysis is prudent, namely: (1) failure

[3] Proposed Decision, pp. 14-15.

[4] Exh. PG&E-03, p. 3-3, line 14 through p. 3-4, line 21.

history (i.e., whether the failure has occurred before); (2) cost of repair; (3) replacement power cost; (4) feasibility of determining root cause; and (5) tangible actions that can be taken resulting from any findings.[5] Storing failed parts when consideration of these factors suggests that analysis is unwarranted or would not be fruitful could increase customer costs due to (1) the expense associated with maintaining and tracking the storage of failed parts, and (2) forgoing the opportunity to repair or refurbish parts for reuse where feasible.

PG&E therefore urges the Commission to modify the Proposed Decision, without disturbing the terms of the settlement with Cal Advocates, to recognize that under certain circumstances recycling or otherwise disposing of failed parts is the prudent course of action. Accordingly, PG&E proposes that the last sentence beginning on page 14 of the Proposed Decision ("Additionally, we…") be modified as follows:

> "Additionally, we caution PG&E about recycling failed parts if doing so would thwart a root cause analysis of their failure **that is warranted in light of the factors identified in PG&E's rebuttal testimony; recycling or disposal may be prudent where those factors indicate such analysis is unwarranted**."

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[5] *Id.*, p. 3-4, lines 5-21.

III. CONCLUSION

PG&E appreciates the opportunity to comment on the Proposed Decision and respectfully requests that the Commission adopt the modifications recommended above.

Respectfully Submitted,

By: */s/ Ashley E. Merlo*
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