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Ratesetting

TO PARTIES OF RECORD IN APPLICATION 26-05-007 ET AL.:

This is the proposed decision of Administrative Law Judge Maria Sotero. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 3, 2026, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure. All parties stipulated to a reduced time for comment at the Prehearing Conference held in this proceeding and in a written filing before the Prehearing Conference. Opening comments are due 4 business days following issuance of this proposed decision and reply comments are due 3 business days following the deadline for opening comments.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC:cg7
Attachment

Decision **PROPOSED DECISION OF ALJ MARIA SOTERO**
(Mailed 11/16/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2027 Energy Resource Recovery Account (ERRA) and Generation Non-By passable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (U 39 E)	Application 26-05-007
And Related Matter.	Application 26-10-013

DECISION APPROVING PACIFIC GAS AND ELECTRIC COMPANY'S 2027 ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) REVENUE REQUIREMENT FORECAST AND RELATED TRIGGER APPLICATION

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DECISION APPROVING PACIFIC GAS AND ELECTRIC COMPANY'S 2027 ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) REVENUE REQUIREMENT FORECAST AND RELATED TRIGGER APPLICATION

Summary

This decision approves Pacific Gas and Electric Company (PG&E)'s revenue request for its forecasted 2027 electricity procurement costs, as well as its sales forecasts and greenhouse-gas related forecasts for 2027. This decision also addresses the consolidated application regarding an overcollection, approving the return of those funds to customers in 2027 rates.

PG&E requested a net revenue requirement of $3.447 billion for electricity procurement costs, such as purchasing electricity generation via contracts with generators or via California's wholesale electricity market, in its Energy Resource Recovery Account (ERRA).

As is done every calendar year, PG&E requested approval of these forecasts to set its retail rates for electricity effective January 1, 2027. Rates for electricity procurement and generation, and related activities, are set in this decision. ERRA costs are trued-up each year; ratepayers pay only the utility's actual costs, no more and no less. This decision does not impact capital costs and PG&E does not earn any profit on procurement costs.

As a result of this decision, PG&E's system average rates for bundled customers (whose load is served by PG&E) are estimated to decrease by approximately 0.9 cents per kilowatt hour (kWh), or 2.5 percent. The system average rate for unbundled customers (whose load is served by community choice aggregators or Direct Access providers), is estimated to increase by approximately 0.1 cents per kWh, or 0.6 percent.

This decision also approves PG&E's forecasted Climate Credit amounts for 2027. All residential and small business customers will receive Climate Credits of $42.11. These credits stem from the State's greenhouse gas Cap-and-Invest program and are distributed by PG&E.

This proceeding is closed.

1. Background

1.1. Procedural Background

The Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2027 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (Application) was filed by PG&E on May 15, 2026.

On June 17, 2026, the following parties responded to the Application.

- California Community Choice Association (CalCCA) and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed timely protests to the Application; and
- Direct Access Customer Coalition (DACC) filed a timely response to the Application.
- PG&E filed a reply to the foregoing protests and response on June 29, 2026.

On July 16, 2026, the assigned Administrative Law Judge (ALJ) held a prehearing conference (PHC) to discuss the issues of law and fact and determine the need for hearing and a schedule for resolving the Application. The parties stipulated to a shortened opening comment (4 business days) and reply comment (3 business days) period on the proposed decision in their Joint PHC Statement filed on July 9, 2026, and at the PHC.

On July 16, 2026, PG&E filed and served its Proof of Compliance with Rule 3.2 of the Commission's Rules of Practice and Procedure (Rules), which requires PG&E to provide the public with notice of its Application through mailing to government officials, publication in newspapers, and bill inserts.

On August 27, 2026, CalCCA served direct testimony, including confidential portions. On September 16, 2026, PG&E served rebuttal testimony, also including confidential portions.

The Scoping Memo set a meet and confer session or a status conference for September 22, 2026. On September 18, 2026, the ALJ issued a ruling requiring parties to comply with the meet and confer requirements of Commission Rule 13.9, and noting a status conference would not be held. Counsel for PG&E confirmed the meet and confer occurred on September 21, 2026, by email to the service list (also dated September 21, 2026).

On September 24, 2026, CalCCA filed a request for evidentiary hearing, but noted that pending discovery responses might obviate the need for the hearing. PG&E's September 29, 2026, response to the request for hearing indicated it had served the discovery responses and that CalCCA had told PG&E it no longer desired a hearing, and CalCCA confirmed this representation in a filing of September 30, 2026. By ruling dated September 30, 2026, based on CalCCA's hearing request withdrawal the ALJ vacated a notice of evidentiary hearing that had been issued on September 22, 2026, as a placeholder in case hearing was warranted.

On October 1, 2026, the Commission's Energy Division published its "Market Price Benchmarks (MPB) Calculations 2026" and served them on several ERRA service lists, including the list for this proceeding, stating:

> Pursuant to Decision (D.) 22-01-023, Energy Division issues values for the Power Charge Indifference Adjustment (PCIA) Forecast and True-Up, which the investor-owned utilities (IOU) will use for their 2027 Energy Resource Recovery Account (ERRA) Forecast Updates in early October 2026. The PCIA calculations incorporate Market Price Benchmarks (MPB) – the Energy Index, Renewable Portfolio Standard (RPS) Adder, and Resource Adequacy (RA) Adder – as defined by D.18-10-019 and revised by D.19-10-001, D.22-01-023, D.23-06-006, and D.25-06-049. D.22-01-023 directed Energy Division to calculate and distribute these values by the first business day in October each year, and D.23-06-006 directed Energy Division to calculate and distribute a Greenhouse Gas Free (GHG-Free) Adder, if applicable.

The Scoping Memo set October 16, 2026, as the date to submit an Update to Prepared Testimony (Fall Update), and PG&E served its Fall Update on October 16, 2026. PG&E provided a version of its public Fall Update on October 16, 2026.

On October 21, 2026, PG&E, Cal Advocates, CalCCA, and DACC filed a Joint Motion to Offer Exhibits and Admit into the Record and a Joint Motion to seal portions of the record due to an assertion of confidentiality. Parties also served confidential versions of their exhibits on the ALJ.

PG&E and CalCCA filed Opening Briefs on October 16, 2026, and on November 4, 2026 PG&E and CalCCA filed Reply Briefs. Also on November 4, 2026, PG&E, Cal Advocates and CalCCA filed comments on the Fall Update, Cal Advocates filed a motion to admit additional evidence, and CalCCA filed a motion to submit its confidential Reply Brief.

1.1.1. Submission Date

This proceeding was submitted on November 4, 2026 with the filing of reply briefs and comments on the Fall Update.

1.1.2. Trigger Overcollection and Consolidation

The ERRA Forecast process includes a mechanism for utilities to correct under- and over-collections when those balances exceed an established trigger point. ERRA trigger rules were established in D.02-10-062 and D.08-08-011.

On August 28, 2026, PG&E filed Advice Letter 7972-E, notifying the Commission that its ERRA balance net of the bundled customer share of the Portfolio Allocation Balancing Account (PABA) balances (collectively known as the ERRA Trigger Balance) had surpassed the five percent trigger based on recorded balances for the July 2026 business cycle accounting close. In this AL, PG&E stated that its ERRA Trigger Balance was forecasted to self-correct within 120 days.

On October 19, 2026, PG&E filed a separate trigger application, A.26-10-013 (Trigger Application) indicating that its ERRA Trigger Balance would exceed 5 percent in December 2026. In the Trigger Application, PG&E stated that its recorded end-of-August 2026 ERRA Trigger Balance was over-collected by $228 million, or 5.5 percent overcollected, and forecasted that the percent overcollected would increase to 7.3 percent by the end of 2026.[1]

PG&E's Fall Update explains what it requests in this proceeding regarding that Trigger Application:

> PG&E anticipates filing an expedited trigger application by end of October without proposing a rate change so close to the end of the year. Instead, PG&E will propose to address the overcollection as part of this 2027 ERRA Forecast Application, through the 2027 AET.[2] Pursuant to D.22-01-023, OP 4, PG&E will transfer the over-collected ERRA to the PABA Vintage 2026 Subaccount for consolidation with the balance of the PABA vintages for recovery in the bundled PCIA rates. To minimize the number of rate

[1] Trigger

[2] The AET is the Annual Electric True-up Advice Letter, which updates balances at year-end.

changes in 2026 and to provide a smoother customer rate experience, PG&E continues to propose in this Fall Update to amortize the ERRA Trigger Balance consistent with other balancing accounts, through the 2027 AET.[3]

On October 22, 2026 a ruling was issued in this proceeding directing parties to address matters related to the Trigger Application here.

At the November 12, 2026 PHC in A.26-10-013, PG&E, Cal Advocates, and CalCCA supported the consolidation of the Trigger Application with A.26-05-007. An amended scoping memo was issued on November 13, 2026 consolidating the two proceedings and amending the scope of issues accordingly.

2. Issues

The issues before us in this proceeding are:

1. Should the Commission adopt PG&E's request to approve 2027 ERRA Forecast revenue requirements in this Application for 2027 ratesetting purposes, as initially forecast in PG&E's Application and as may be updated throughout the course of this proceeding and through the AET process, including
    a. disposition of PG&E's forecast December 31, 2026, year end balancing account balances, subject to adjustments for recorded balances through the AET process; and
    b. disposition of recorded Voluntary Allocation Market Option Memorandum Account (VAMOMA) balances?
2. Should the Commission adopt PG&E's 2027 electric sales forecast?
3. Should the Commission adopt PG&E's greenhouse gas (GHG) related forecasts and administrative, program, and outreach expense forecasts for 2027?
4. Were PG&E's recorded 2025 GHG administrative and outreach expenses reasonable?

[3] Fall Update, Exhibit (Ex.) PG&E-20 at 27-28 (footnote omitted).

5. Should the Commission approve PG&E's rate proposals associated with its proposed total electric procurement related revenue requirements, to be effective in rates on January 1, 2027?
6. Has PG&E satisfied applicable requirements from D.02-10-062 and D.08-08-011 in filing its expedited ERRA Trigger Application A.26-10-013, and is it reasonable to address the overcollected balance in PG&E's 2027 ERRA Forecast proceeding?

3. Summary of PG&E's Request

PG&E's Application requests that the Commission approve PG&E's forecasted 2027 energy procurement revenue requirements to become effective in rates on January 1, 2027. PG&E's 2027 ERRA forecast revenue requirements, less certain costs related to UOG set forth in PG&E's 2023 General Rate Case (GRC) D.23-11-069 (collectively, UOG-Related Costs) or approved or considered in other regulatory proceedings.

PG&E asks the Commission for the following approvals (as amended in its Fall Update,[4] as explained below, submitted on October 16, 2026):

- An Energy Resource Recovery Account (ERRA) revenue requirement of $3.176 billion, subject to a true-up process based on actual spending. This amount involves $4.409 billion[5] in actual revenue requirement less adjustments of

[4] The Fall Update is marked as Ex. PG&E-5, but is referred to as the Fall Update throughout this decision.

[5] This amount includes several components: the Cost Allocation Mechanism (CAM), Ongoing Competition Transition Charge (CTC), Power Charge Indifference Adjustment (PCIA), Voluntary Allocation Market Offer Memorandum Account (VAMOMA), ERRA, Public Purpose Charge Procurement (PPCP), Tree Mortality Non-bypassable Charge Balancing Account (TMNBC), and Bioenergy Market Adjusting Tariff (BioMAT), as set forth in the revenue requirement table that appears throughout this decision, along with updated information provided by PG&E in its Fall Update filing as described in this decision.

$1.299 billion[6]. The Fall Update changed the net amount to $3.477 billion ($4.674 billion in revenue requirement less adjustments of $1.227 billion);

- Approval of PG&E's proposed forecasted electric sales for 2027;
- GHG revenues and related expenses used to set PG&E's California Climate Credit paid to ratepayers; and
- Approval of PG&E's proposed rate design (allocation of responsibility for paying the foregoing costs among PG&E's various types of customers).

PG&E's Application forecasted that in 2027 the system average bundled rate (the average rate paid by PG&E customers who take service from the utility rather than a third party), including the impact of the GHG revenue return, would increase by approximately 5.7 percent to 35.7 cents per kilowatt-hour (kWh) when compared to the present system average bundled rate as of March 1, 2026, of 33.8 cents per kWh. The system average rate for Direct Access (DA) and Community Choice Aggregation (CCA) customers, whose average rates exclude commodity charges that are provided and charged customers by third parties would decrease by approximately 7.3 percent to 21.7 cents per kWh, when compared to the present system average rate of 23.4 cents per kWh.

PG&E's Fall Update revised these figures and forecasts that system average bundled rates will decrease by approximately 0.9 cents/kWh, or 2.5 percent, to a total rate of 32.7 cents per kWh, when compared to the currently effective system average bundled rate of 33.6 cents/kWh. PG&E's Fall Update

[6] This amount involves credits for revenue requirements authorized in other proceedings. It consists of Utility Owned Generation (UOG) Related Costs, Residential Uncollectibles Balancing Account (RUBA), and Community Choice Aggregator BioMat (BioMat), as well as the Risk Transfer Balancing Account (RTBA) and Hydro Licensing Balancing Account (HLBA) added in PG&E's Fall Update filing as described in this decision.

also forecasts that the system average rate for CCA and DA customers, whose average rates exclude commodity charges that are provided by other service providers, will increase by approximately 0.1 cents per kWh, or 0.6 percent, to a total rate of 23.8 cents per kWh, when compared to the currently effective system average rate for DA and CCA customers of 23.7 cents per kWh.

PG&E's ERRA forecast revenue requirement request includes (a) disposition of PG&E's forecast December 31, 2026 year-end balancing account balances, subject to adjustments in the AET process and (b) disposition of recorded Voluntary Allocation Market Offer Memorandum Account (VAMOMA) balances.

PG&E's 2027 ERRA Forecast revenue requirement also reflects necessary adjustments to certain volumes of Resource Adequacy (RA) capacity resulting from the Commission's SoD RA compliance framework approved by D.25-12-027, which resolved PG&E's 2026 ERRA Forecast Application. PG&E requests Commission approval of this forecast revenue requirement PG&E also requests Commission approval of PG&E's proposed forecasted electric sales for 2027. The amounts at issue are shown in the following table:

2027 Revenue Requirement	**Original Amount (in thousands of dollars)**	**Fall Update**
CAM (Cost Allocation Mechanism)	658,567	729,780
Ongoing CTC (Competition Transition Charge)	(19,903)	(15,111)
PCIA	834,908	1,759,801
VAMOMA	524	816
ERRA	2,895,084	2,149,827

PPCP (Public Purpose Charge Procurement)	(796)	(528)
TMNBC (Tree Mortality Non-bypassable Charge Balancing Account)	30,087	29,433
BioMAT (Bioenergy Market Adjusting Tariff)	10,800	20,401
Total Revenue Requirement for Rate-setting	**4,409,270**	**4,674,418**
Adjustments for Revenue Requirements Authorized in Other Proceedings		
UOG Related Costs	(1,229,145)	(1,232,531)
RUBA-E (Residential Uncollectibles Balancing Account)	(2,186)	(6,277)
RTBA-E (D.23-11-069)		1,197
HLBA (D.23-11-069)		10,606
CCA BioMat	(1,533)	0
Total Adjustments	**(1,232,865)**	**(1,227,004)**
PG&E's Revenue Requirement Request in this Application	**3,176,405**	**3,447,414**

As reflected in the table, the original 2027 requested ERRA forecast revenue requirement required for ratesetting was approximately $4,409 million and includes approximately $1,233 million of adjustments from other proceedings, including UOG-Related Costs. The total forecast 2027 ERRA Forecast revenue requirements PG&E originally requested in this Application were approximately $3,176 million, which includes forecasted year-end balancing account balances.

Under the Fall Update, the net 2027 ERRA Forecast revenue requirements PG&E requests are $3,447 million, consisting of $4,674 million with $1,227 in

adjustments. The final revenue requirement implemented in 2027 rates will be subject to adjustments for recorded year-end balancing account balances and the final decisions of any other proceedings, through the AET process.

PG&E also requests Commission approval of PG&E's proposed forecasted electric sales for 2027. PG&E's Fall Update provides refreshed System, Bundled, CCA and DA load forecasts, updated rate forecasts for the Green Tariff Shared Renewables (GTSR) Program, a revised UOG-related revenue requirement based on final Commission decisions, refreshed forward gas and electricity market prices, generation portfolio updates, final 2026 MPBs, and forecast 2027 MPBs for certain Non-Bypassable Charges (NBC), updated GHG Forecast Revenue Return and Reconciliation information, and an updated estimate of year-end balancing account balances. According to PG&E, this forecast also reflects the implementation of Commission-directed changes adopted in D.26-07-008 that affect RA accreditation and the calculation of PG&E's RA position under the Slice-of-Day (SoD) framework.

Next, PG&E requests approval of its forecast of GHG revenues, revenue return, and administrative, programmatic, and customer outreach costs for 2027, as set forth below. PG&E's Fall Update updated its costs as of August 2026. PG&E recorded approximately $0.284 million for administrative costs and $0.145 million for customer outreach and education costs, for a total recorded cost of $0.429 million. PG&E reduced its administrative and overhead 2027 forecast by approximately $0.006 million, from $1.098 million in the May Prepared Testimony to $1.092 million in PG&E's Fall Update. The net charge reflects the following updates:

a. Updated outreach expenses based on the latest available customer

counts and outreach costs for the residential Climate Credit. PG&E's

2027 outreach forecast has been reduced from approximately $0.261

million to $0.185 million. The decrease of approximately $0.076 million is attributed to PG&E inadvertently including approximately 40 [thousand] gas master-metered customers in its May forecast.

b. Included a forecast cost of $0.070 to administer the Emissions-Intensive and Trade-Exposed (EITE) triennial audit as required by Res.E-4716.[7]

2027 GHG-Related Forecasts and Administrative, Program, and Outreach Expenses		**Original Amount**	**Fall Update**
1.	GHG Administrative and Outreach Expenses	$1.1 million (1.098 million)	$1.1 million (1.092 million)
2.	CEEE Programs (error correction)	$6 million	$5.938 million[8]
3.	Net GHG revenue return	$530 million	$535 million[9]
4.	Semi-annual California Climate Credit	$41.74	$42.11[10]

Further, PG&E requests the Commission approve as reasonable PG&E's 2025 recorded GHG administrative and customer outreach costs of $0.867 million (which remained the same in the Fall Update).[11] PG&E also asks that the

[7] Fall Update at 32 and PG&E Opening Brief at SR-2.

[8] Fall Update at 38 and PG&E Opening Brief at SR-3.

[9] Fall Update at 109 and PG&E Opening Brief at SR-3.

[10] Fall Update at 109.

[11] Fall Update at 40.

Commission approve PG&E's rate design proposals associated with its proposed total electric procurement revenue requirements to be effective in rates on January 1, 2027, including GTSR rates.

4. Contested Issues

We first address the limited number of issues which parties have disputed.

CalCCA contests five of PG&E's requests, making the following arguments:

- *Slice of Day (SoD)*: The Commission should order PG&E to modify its SoD approach to calculate the retained Resource Adequacy (RA) capacity from non- storage intermittent resources based on the average of the 24-hour slices of the worst day in a month, consistent with Southern California Edison Company's (SCE) interim approach.
- *Renewable Energy Certificates (RECs)*: The Commission should require PG&E to use Unsold Renewable Portfolio Standard (RPS) volumes that have since been retired for RPS compliance purposes prior to the use of pre-2019 banked Renewable Energy Certificates (RECs).
- *Meet and Confer and Data Center Load Forecast:* The Commission should revisit the structure of the CCA meet and confer process in order to improve the accuracy of load forecasts used for ratemaking purposes. The Commission should undertake this effort in the ongoing PCIA Order Instituting Rulemaking (PCIA Rulemaking or OIR). The current process requires PG&E to meet and confer with CCAs regarding their overall load forecast, including data center load, but provides no pathway to resolve differences in forecast load.
- *RA Accounting:* PG&E should implement modifications to its RA accounting practices that reflect all directives from the Commission's Decision (D.) 26-07-008 in the RA OIR, and should not reflect only the Commission's directive related to battery foldback.

- *Interim Rates:* To the extent the Commission grants Interim Rate Relief (IRR) in PG&E's 2027 GRC prior to PG&E's AET filing for 2027 rates, PG&E should include the 2027 Electric Generation revenue requirement with interim rates in its final 2027 PCIA rates.[12]

In response to CalCCA's contested issues, PG&E's reply testimony states:

- *SoD*: CalCCA's SoD proposal would create inconsistencies between retained RA quantities and market price benchmarks, potentially overstating the value of certain resources, particularly battery storage and intermittent resources. PG&E asserts its revised methodology more accurately reflects market conditions, resource attributes, and applicable Commission direction.
- *RECs*: PG&E explains that, while it now expects to use Unsold RECs to help satisfy its RPS obligations, that outcome is driven by PG&E's expected RPS position and existing RPS compliance requirements which do not enable those RECs to be banked, rather than the rationale advanced by CalCCA.
- *Meet and Confer and Data Center Load*: CalCCA's description of the current state of data center forecasting and the overall meet and confer process does not reflect the engagement that PG&E has with all of its CCA parties. The current meet and confer process does not require PG&E to use CCAs' load forecasts. CalCCA's request to revisit the CCA load forecast meet and confer process should be addressed in the PCIA OIR, R.25-02-005.
- *RA Accounting*: PG&E intends to implement D.26-07-008 to the extent possible and consistent with the timing and requirements established by the Commission. While PG&E has identified aspects of D.26-07-008 that cannot yet be fully implemented, this is because they depend on modifications to the RA Market Reference Data and

[12] Ex. CalCCA-01 at 2-3. CalCCA estimates that its quantified SoD and REC recommendations would reduce the PCIA revenue requirement by approximately $187.7 million. *Id*. at 3.

related implementation steps that are outside of PG&E's control and have not yet been completed.

- *IRR*. If the Commission authorizes the IRR by the end of 2026, PG&E will include the Electric Generation portion of that authorized IRR in rates, which CalCCA's witness supports. Recovery of any authorized IRR will follow the currently adopted cost recovery mechanism.

The other parties that filed a protest or response to the Application served no testimony. In comments on the Fall Update, Cal Advocates provided recommendations on data center forecasting which we address below.

Before addressing the disputed issues, we note there were several issues which were raised, and ultimately not found to be in dispute, including PCIA calculation corrections and implementation of RA program guidance from D.26-07-008.[13] We highlight and appreciate that the process of parties engaging in discovery led to the identification and correction of errors, helping ensure this decision enacts accurate and reasonable rates.

4.1. Slice-of-Day Value for Non-storage Intermittent Resources

4.1.1. Party Positions

The Commission regulates electric reliability through its Resource Adequacy (RA) program, which requires the utilities (and all load-serving entities, or LSEs, in the investor-owned utilities' service territories) to ensure they will have sufficient generation capacity to meet their load, plus an additional margin. LSEs have specific RA compliance requirements, including those based on a Slice-of-Day (SoD) framework which was implemented in 2025 for compliance purposes.

[13] CalCCA Opening Brief at 38-42.

As PG&E sums up: "Under the SoD framework, LSEs are now required to demonstrate compliance with RA capacity requirements based on the 24-hour load profile associated with the CAISO's "worst day" of the month, plus an applicable Planning Reserve Margin adjustment."[14]

The first issue CalCCA contests relates to SoD. A key component in PG&E's calculation of the value of its PCIA-eligible generation resources—which in turn drives the Indifference Amount recovered from bundled and unbundled customers through the PCIA—is the RA value of those resources.

CalCCA agrees that the SoD framework considers the capacity contribution of a resource during each hour of the "worst day" of each month.[15]

CalCCA's argument with PG&E's SoD calculation asserts PG&E uses a method for valuing its non-storage intermittent resources that the Commission has only adopted for one type of resource – energy storage – and that it is not appropriate here. CalCCA states, "The Commission has not yet addressed the implementation of the SoD framework for PG&E's non-storage resources, nor has it yet comprehensively addressed SoD implementation for PCIA ratemaking purposes in a rulemaking."[16] Thus, CalCCA asserts, at least until the Commission addresses the issue in the rulemaking, PG&E should use a different calculation for non-storage resources, as SCE does:

> SCE's interim SoD methodology determines RA capacity based upon the [Net Qualifying Capacity (NQC)] of baseload resources, the average of all hours of SoD capacity for intermittent resources, and the NQC for storage resources, minus an estimate of the RA capacity needed for charging in

[14] PG&E Opening Brief at 21.

[15] Ex. CalCCA-01 at 10-11.

[16] Ex. CalCCA-01 at 15.

> order for each Load-Serving Entity (LSE) to demonstrate it can meet its capacity requirements in all hours of that day."[17]

In contrast to what SCE does, CalCCA asserts that:

> PG&E's proposed RA valuation methodology uses each generation resource's output in the single peak hour per month to determine that resource's capacity contribution and the quantity used to value Retained RA in the PCIA—whether that resource is baseload, intermittent, or storage…. PG&E's RA valuation methodology is markedly different from SCE's interim SoD methodology.[18]

In response, PG&E asserts the Commission has already rejected CalCCA's SoD argument:

> Did CalCCA make a similar proposal for how intermittant (sic) renewables should be retained in PG&E's 2026 ERRA Forecast proceeding?
>
> … Yes. On page 30 of CalCCA's Direct Testimony in PG&E's 2026 ERRA Forecast, CalCCA proposed that the Commission adopt an "average of their hourly exceedance values" as part of their proposal that the Commission adopt SCE's interim method for PG&E.
>
> In D.25-12-027 did the Commission direct PG&E to apply SCE's method to intermittent renewable resources?
>
> … No. In the decision, the Commission clarified and clearly described that the only modification being adopted for PG&E's interim SoD methodology was SCE's approach to reasonably account for energy storage's lower contribution (e.g., value) under the 24-hour SoD framework given that energy storage is not available at its full NQC value for all 24 hours.[19]

[17] Ex. CalCCA-01 at 13.

[18] Ex. CalCCA-01 at 15.

[19] Ex. PG&E-4 at 3-2.

PG&E concludes that it would be inappropriate to adopt CalCCA's SoD approach at this time:

> In Rulemaking (R) 25-02-005 (PCIA Reform [OIR]), the Commission recently adopted a schedule to address whether additional changes are needed to account for the SoD change in the RA program as part of Track 4 that is expected to begin in 2027. *Until those broader reforms are considered, PG&E's currently approved methodology remains a reasonable interim approach.*[20]

PG&E explains the difference between CalCCA's proposal and its own as follows:

> In this proceeding, CalCCA proposes to modify *one* element of the interim PG&E framework without addressing the broader valuation structure. Specifically, CalCCA argues that PG&E should value intermittent resources using the *average* of twenty-four hourly exceedance values rather than peak-hour net qualifying capacity ("NQC"), as is SCE's practice. Yet, as explained above, the peak hour requirement *is* the point where the SoD obligation is greatest. And CalCCA provides no credible evidence that a simple average will lead to an outcome aligned with market realities, compliance obligations, or SoD policy goals.[21]

PG&E also explains:

> As approved in D.25-12-027, PG&E determines the retained quantity for an intermittent resource based on its RA contribution during each month's peak hour (NQC value). CalCCA proposes that PG&E instead use the average of all 24-hourly exceedance values for intermittent resources.[22]
>
> PG&E asserts that its use of the peak hour makes more sense than CalCCA's 24-hour approach because "The peak hour remains the point at which the capacity requirement is greatest. PG&E's method anchors the retained

[20] Ex. PG&E-4 at 3-8.

[21] PG&E Opening Brief at 22 (footnote omitted).

[22] Ex. PG&E-4. at 3-3.

quantity to the capacity needed to satisfy that requirement."[23] Further, PG&E asserts that a 24-hour approach inappropriately treats baseload generation the same as an intermittent resource such as solar:

> For baseload resources, the choice between peak-hour capability and a 24-hour average is irrelevant because the resource provides the same capacity in each hour. For solar resources, the choice is consequential because hourly exceedance values vary materially across the day. CalCCA's averaging proposal treats solar like a baseload resource, increasing the solar quantity receiving benchmark treatment without consideration as to whether that change is equitable.[24]

Thus, PG&E concludes, the Commission should adopt its approach and reject CalCCA's:

> The Commission should reject CalCCA's request to require PG&E to use a 24-hour average for retained intermittent-resource RA in this proceeding. D.25-12-027 adopted an interim method for energy storage resources and intentionally did not establish the treatment CalCCA now proposes for solar and wind. CalCCA's proposal would increase retained quantities while leaving the benchmark unchanged, increasing the valuation for solar resources while the same market data CalCCA relied upon for their proposal clearly shows that even less value should be given to solar resources. Pending comprehensive reform in R.25-02-005 that should address quantity, price, and the treatment of retained, sold, and unsold RA together, PG&E's Commission approved interim SoD peak-hour-based approach remains a reasonable and internally coherent interim methodology.[25]

In briefs, PG&E insists that valuing resources based on peak hours is reasonable, and that "CalCCA provides no credible evidence that a simple

[23] Ex. PG&E-4. at 3-3.

[24] Ex. PG&E-4. at 3-4.

[25] Ex. PG&E-4. at 3-8 – 3-9.

average will lead to an outcome aligned with market realities, compliance obligations, or SoD policy goals."[26] To CalCCA's argument that there should be consistency between PG&E and SCE, PG&E rejoins that "the relevance of this argument is questionable for an interim methodology and arguably SCE could modify their interim methodology to match PG&E's approved interim SoD methodology to achieve a consistent outcome."[27]

PG&E further argues that the CCA approach will "undermine the goals of SoD, including the goal of promoting efficient procurement of RA resources and customer affordability, and violate the indifference requirement" by inappropriately inflating the quantity of solar PG&E would then expect to retain,[28] causing "an unjustifiable cost shift to the detriment of PG&E's bundled service customers."[29]

In briefs, CalCCA highlights the evolution from the prior RA program approach to SoD. Under the prior framework, resources were valued for their net qualifying capacity (NQC) based on a resource's contribution in the peak hour of each month; in contrast, SoD values resources based on their capacity contribution in each of the 24 hours of the "worst day" of each month.[30] CalCCA argues that PG&E's approach here is improperly based on the NQC paradigm because it essentially uses a single peak hour output value, and that this is nearly

[26] PG&E Opening Brief at 22.

[27] PG&E Opening Brief at 22.

[28] PG&E Opening Brief at 26.

[29] Ex. PG&E-4 at 3-2.

[30] CalCCA Opening Brief at 16.

identical to the framework that SoD replaced, circumventing our RA policy evolution.[31]

4.1.2. Discussion

This issue, like many that arise in the PCIA/ERRA landscape, is complex, evolving, and divisive. Each side argues the other's approach creates an unlawful cost shift.[32] Positions in individual ERRA cases vary among utilities and over time: as each party notes, the approach CalCCA pushes for here is the same one that PG&E itself originally proposed in 2025, and one that CalCCA opposed in last year's SCE ERRA forecast proceeding.[33]

To sum up, before us are two options: 1) PG&E's proposed approach, in which PG&E values its non-storage intermittent resources in 2027 using these resources' *net qualifying capacity value in the worst hour* of the worst day of each month, or 2) CalCCA's proposed approach, in which PG&E values its non-storage intermittent resources in 2027 using the *average of all 24 of the resource's hourly exceedance values* on the worst day of each month.

Both approaches use a single number as the RA value of these resources for the purposes of calculating the PCIA. (We note that the SoD framework is now what defines NQC; under the legacy approach, NQC was defined using a metric called effective load carrying capacity or ELCC.) Both PG&E's and CalCCA's approaches put forward rational bases: PG&E's method better aligns with the overall value of solar,[34] and CalCCA's method better reflects the fact

[31] CalCCA Opening Brief at 22.

[32] PG&E Opening Brief at 27, CalCCA Reply Brief at 8-9.

[33] CalCCA Opening Brief at 23, PG&E Opening Brief at 20.

[34] PG&E's method more closely aligns with the NQC used to calculate the MPB (PG&E Rebuttal Testimony at 3-3 to 3-4).

that SoD values resources' contributions over all 24 hours of a peak day. There is already inconsistency between utilities' approaches, as PG&E currently values these resources differently than SCE does. Likewise, CalCCA's preference to average intermittent renewables' contributions over all 24 hours of a peak day is logically inconsistent with opposing the same approach applied to storage resources. In both cases, averaging over 24 hours under-states the contributions of resources during the months that drive most RA value.

For the purposes of this decision, our primary goal is to minimize volatility for all ratepayers. For that reason, we are most swayed by PG&E's demonstration of the misalignment in resource value that CalCCA's method would have for solar, which represents most of the resources at issue: it would translate to an effective market price benchmark (MPB) that is about 60 percent greater than the forecasted MPB, which would be a premium over baseload resources for an intermittent one and therefore "is completely divorced from market reality."[35] At a macro level, volatility for all ratepayers is reduced when forecasted resource values are closer overall to actual recorded values. Based on the record before us, we find that PG&E's proposed method for valuing intermittent non-storage resources for PCIA ratemaking purposes is more likely to accurately approximate their value in 2027 and is therefore reasonable. We direct no changes to PG&E's proposed valuation of these resources in its 2027 forecasts.

This approach is not perfect; we agree with CalCCA's point that it wrongly gives a value of zero to solar in winter months, when its NQC is zero during net

[35] PG&E Reply Brief at 8-9.

peak hours.[36] Every model has flaws. We must select the one that is most appropriate to use on an interim basis for PG&E in 2027.

We note that these are methodologies of forecast ratemaking and will be trued up to actuals. We also note that, despite both parties' arguments about the impacts of these methodologies on the amount of resources PG&E *forecasts* it will retain, the ultimate retention of RA resources will result from numerous complex business and compliance decisions that PG&E will make throughout 2027.

We emphasize that this methodology for non-storage intermittent resources is approved for 2027, not an ongoing policy, and that further guidance will be useful. Translating the compliance framework for our reliability program into the most accurate way to ensure ratepayer indifference is no simple undertaking, and a single utility's accelerated ERRA Forecast proceeding is a particularly inapposite venue for attempting such a task. To turn the ratemaking crank effectively the Commission and parties need clear, specific rules. We have limited record on the nuances of the SoD transition and its impacts on markets here, and there may well be better ways than the two before us here to translate SoD resource value to PCIA forecasting. As we stated in D.25-12-027, the Commission should address the appropriate ongoing policy guidance for calculating SoD in R.25-02-005, so that all utilities are subject to the same rules.[37] We still concur.

4.2. Renewable Energy Certificates

4.2.1. Party Positions

The second issue CalCCA contests in PG&E's Application relates to RECs, which are the unit LSEs use to comply with the Renewable Portfolio Standard

[36] CalCCA Reply Brief at 7.

[37] D.25-12-027 at 32 (emphasis added).

(RPS) program. In the event PG&E's bundled net RPS position is forecasted to fall below its bundled RPS target for the applicable ERRA year, PG&E must incorporate an incremental REC volume to make up the shortfall. In this year's Application PG&E forecasts a shortfall towards its 2027 Minimum Retained RPS requirement and plans to use banked RECs to cover its shortfall.

CalCCA asks that PG&E be required to prioritize the use of RECs banked after 2018 (post-2018 banked RECs) over RECs banked before 2019 (pre-2019 banked RECs), as it has done in the past. CalCCA explains that post-2018 banked REC valuation is less contentious than pre-2019 RECs and using them is therefore a more appropriate outcome. CalCCA also suggests that certain banked RECs be categorized as post-2018 banked RECs and used to meet PG&E's compliance obligations. PG&E refers to this latter category of RECs as "Unsold RECs."

Further, CalCCA notes that as of the date of its testimony, the Commission had not resolved a relevant REC valuation question in its PCIA Rulemaking, R.25-02-005. The Commission has since resolved the matter contrary to CalCCA's position in D.26-09-047 by valuing pre-2019 banked RECs at $0 for PCIA calculation purposes. The Commission reasoned:

> Bundled customers satisfied the indifference mandates [of the PCIA], including [Public Utilities Code] section 366.2(g), when they credited departing load with the market value of Pre-2019 Banked RECs in the years the RECs were generated, in compliance with the methodology adopted in D.11-12-018. D.19-10-001 exempts Pre-2019 Banked RECs from the methodology that would require bundled customers to credit the PCIA for RECs when they are used for bundled compliance. Because the indifference statutes have already been satisfied under D.11-12-018, to require bundled customers to pay an additional cost to use these RECs would violate indifference mandates and would result in

> unreasonable rates for bundled customers. To retroactively make whole only the customers who claim to be harmed by this single, alleged cost shift that occurred under a prior PCIA methodology would be arbitrary.[38]

CalCCA had contended in that case that CCA customers who paid for RECs while they were utility customers were entitled to some value from those RECs when the utility used them for compliance purposes. Thus, CalCCA did not prevail on the REC issue.

PG&E agrees in its testimony to use post-2018 banked RECs (which it terms Unsold RECs) to meet its RPS obligations, but for a different reason than CalCCA:

> Does PG&E agree with Mr. Matley's direct testimony on why Unsold RECs should be retained for [RPS] Compliance ...?
>
> ... No. Mr. Matley proposes PG&E use Unsold RECs before using pre-2019 banked RECs because he asserts the Unsold RECs are post-2018 banked RECs and should therefore be prioritized. PG&E disagrees that Unsold RPS should categorically be used before volumes previously paid for and retained such as pre-2019 banked RECs. Here, PG&E is specifically planning to use Unsold RPS because the RECs were retired and will be used for RPS compliance ... as a result of the RPS program's compliance rules. However, should there be Unsold RECs in the future, there should not be a requirement to use these volumes before previously paid for and retained RECs. Consistent with D.19-01-001, Unsold RECs should be valued in ratemaking only when and if they are used for compliance.[39]

[38] D.26-09-047 at 31.

[39] Ex. PG&E-4 at 4-4.

Unsold RECs are not bankable under the RPS rules according to PG&E, because they are only bankable if the utility is in compliance with its RPS obligations. PG&E states the following:

> Can PG&E bank or sell these Unsold RECs which have been retired in WREGIS?
>
> A … No. Banking is not possible under the RPS compliance rules adopted by the Commission. PG&E is not able to bank the Unsold RECs as a retail seller can only bank excess procurement when, among other conditions, its quantitative procurement requirement for a compliance period is met. This is not the case for PG&E currently as PG&E expects to be physically short of the Compliance Period 5 requirement due to its short RPS positions, so its only option from a compliance perspective, is to "use," not "bank" the Unsold RECs. PG&E does not have the option to sell these RECs once they have been retired in WREGIS. PG&E attempted to sell a portion of the Unsold RECs … in a solitication (sic) in August 2026, before the date at which they need to be retired or expire, but was unable to execute sales consistent with PG&E's Commission approved sales strategies.[40]

Since PG&E needs to make up a shortfall and is not in compliance, it wishes to use the Unsold RECs to meet its compliance obligations; it cannot sell these RECs. Further, in order for a REC to remain available to PG&E to use for RPS compliance, it must be transferred to a Western Renewable Energy Generation Information System (WREGIS) account (retired) within 36 months of being generated. PG&E has already retired many of the Unsold RECs and plans to retire others so it may use them for RPS compliance.[41]

[40] Ex. PG&E-4 at 4-2 – 4-3.

[41] Ex. PG&E-4 at 4-2 – 4-3.

4.2.2. Discussion

We make no changes or new restrictions here. Since PG&E intends to use the RECs at issue for compliance, we need not require it to do so. We see no need for the restriction CalCCA wants. The information CalCCA wants regarding use of RECs can already be determined without imposing additional requirements. Further, we do not wish to tie PG&E's hands in the future as to how it uses RECs to meet its unmet RPS compliance requirements. Requiring PG&E to prioritize post-2018 banked RECs for compliance rather than pre-2019 RECs also has financial consequences now that the Commission has determined in D.26-09-047 that the latter have zero value for PCIA calculation purposes. PG&E should have the ability to use those RECs for compliance purposes as the option may be less costly for bundled ratepayers than using post-2018 banked RECs.

4.3. Data Center Load Forecasting

Two disputes related to PG&E's data center-related load forecasts were raised: one by CalCCA regarding the meet and confer process, and one by Cal Advocates regarding overall forecasting requirements.

4.3.1. Meet and Confer Process

The third issue CalCCA contests in PG&E's Application relates to the process for PG&E engaging with the CCAs in its territory through a meet and confer process to develop a load forecast.

CalCCA contends that the current meet and confer process "provides no pathway to resolve differences in forecast load."[42] It further argues that the process "does not require PG&E to defend its position prior to using its forecast in an ERRA forecast filing; does not require PG&E to share relevant information regarding its load forecast with CCAs; and does not contemplate a process to

[42] Ex. CalCCA-01 at 31.

resolve differences between PG&E and CCAs."[43] CalCCA states: "When PG&E and a CCA are not able to agree on the data center load forecast, then PG&E has stated that it plans to use its own forecast."[44]

CalCCA asks that the CCAs' load forecast for data centers be adopted in the case of dispute:

> [PG&E's] potential outcome is particularly problematic given that PG&E has affirmatively stated that the presumption is that new data centers located in CCA service territory will be served by that CCA. It stands to reason that the CCA's forecast of that load, and not PG&E's forecast, should be used in determining PCIA and ERRA rates, particularly because CCAs have unique insight into the certainty and timing of data center loads through the local permitting, zoning, and land use requirements in the municipalities comprising the CCAs.[45]

PG&E does not dispute that the meet and confer process does not have a process for resolving disputes the parties cannot resolve on their own. It defends its conduct in meet and confer sessions by saying it meets with CCAs to discuss the load forecast, sometimes adopts CCAs' forecasts, and has received no complaints about its load forecasting from individual CCAs. PG&E opposes being mandated to use CCAs' forecasts:

> Does the current meet and confer process require PG&E to use CCAs' load forecasts?
>
> ... No; however, PG&E routinely uses CCAs' load forecasts for the ERRA Forecast test year if there are no major differences in aggregate forecasted load (e.g., missing customers, incomplete historical data, missing expansions, etc.). If there are significant differences in respective load forecasts and PG&E

[43] Ex. CalCCA-01 at 32.

[44] Ex. CalCCA-01 at 31.

[45] Ex. CalCCA-01 at 31.

> understands and agrees with what is driving those differences, PG&E may still elect to use a CCA's forecast for the ERRA Forecast test year.[46]

PG&E concedes it does not always adopt CCAs' forecasts: "Of the 5 forecasts PG&E did not use [for the 2027 ERRA], data center forecasts were identified as being a driver of difference for 3 of the CCA forecasts."[47]

4.3.2. Forecasting Detail

In Cal Advocates' November 4, 2026 comments on the Fall Update, it asserts that PG&E "fails to meet its burden of showing how its data center load forecast assumptions, and the rates that follow from those assumptions, are just and reasonable."[48] While it provides extensive discussion of the complexities and importance of reliable forecast development for this emerging and high-demand sector, Cal Advocates does not recommend any specific numerical changes to PG&E's data center forecast. Despite asserting that the forecast has not been shown to be reasonable, Cal Advocates also does not ask us to reject either the forecast or the resulting rates. Cal Advocates asks only for the Commission to order guidance for future ERRA Forecasts. Specifically, Cal Advocates recommends we: "order PG&E to 1) provide a clear definition of data centers and a justification for how it selects the data used to develop its data center load forecast; and 2) provide a comprehensive analysis of historical data center performance used to assume future performance."[49]

[46] Ex. PG&E-4 at 2-4.

[47] Ex. PG&E-4 at 2-4.

[48] Cal Advocates Fall Update Comments at 1.

[49] Cal Advocates Fall Update Comments at 11.

4.3.3. Discussion

We note and appreciate parties' concerns about the impacts of data center forecasting, but we are left with little that is actionable here: neither CalCCA nor Cal Advocates puts forward specific changes to PG&E's 2027 forecasts; they instead want us to provide direction for future proceedings.

CalCCA asserts it is asking for reforms to the meet and confer *process*, but its primary request is for a specific *outcome*: that CCA data center forecasts be treated as a rebuttable presumption (where PG&E would be required to rebut them in detail) within the meet and confer process. While CalCCA argues it has no recourse under the current process if PG&E disagrees with CCA forecasts, the instant proceeding is the venue where specific analyses and corrections for the forecast year should be raised.

Cal Advocates raises many substantive analytical criticisms of PG&E's forecasts and recommends clarity and comprehensive, verifiable analysis. The relative ambiguity of these recommendations may reflect the nascent nature of the current data center forecasting landscape.

We acknowledge that both facts on the ground and policy are changing quickly with regards to data centers. Issues around improving data center forecasting analysis and processes should primarily be addressed in R.26-04-009, the Rulemaking on California Advanced Electric Rate Design. Providing more specific data center definitions and forecasting guidance here might create conflict with outcomes in that rulemaking, which is considering "a separate customer class for data centers."[50] Developing a separate customer class would

[50] R.26-09-009, Assigned Commissioner's Scoping Memo and Ruling, September 22, 2026, at 3. Available at: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M620/K412/620412459.PDF.

directly implicate Cal Advocates' definitional questions. The Commission previously acknowledged the issue's complexity and noted that R.26-04-009 would address this topic:

> The Commission recognizes that the issue of costs and uncertainty associated with new load from data centers is a topic that is being widely discussed in California. Senate Bill 57 requires the Commission to provide an assessment of the potential costs impacts of new, large data center loads to the Legislature by January 1, 2027. The Commission has initiated a rulemaking, R.26-04-009, to address this topic. *The Commission concurs with PG&E that there is insufficient record at this time to demonstrate that data center load forecasting in the prompt year is so volatile as to necessitate CalCCA's proposed solution.* In addition to the Commission's proceeding, R.26-04-009, the Commission is closely monitoring demand forecasting for data center load in the annual IEPR demand forecast process, in coordination with [the California Energy Commission (CEC)]. CEC's 2025 [Integrated Energy Policy Report (IEPR)] process is currently addressing the impact of increased data center demand through public collaboration and multi-year methodological updates that expand upon and refine prior years' approaches.[51]

Until the appropriate rulemakings provide more comprehensive policy guidance and clarity, this decision directs PG&E to explain all assumptions and modeling inputs for its data center forecasts in its testimony supporting future ERRA Forecast applications. This includes providing an explanation of any methodological or assumption changes between the May applications and the Fall Updates, as well as an explanation of differences between the ERRA Forecast and the applicable IEPR Forecast for data center load. Transparency is beneficial to the public interest, particularly as it relates to data centers.

[51] D.26-07-008 at 144 (emphasis added).

As a specific process improvement in advance of the next forecasting cycle, this decision also directs PG&E to seek input from stakeholders regarding respective data center forecasting approaches before filing its next ERRA Forecast. Participants of the meet and confer preceding the 2028 ERRA Forecast should identify where they have substantial data center forecasting differences, and attempt to work out those differences. PG&E will serve a report summarizing these discussions; parties' different data center forecasting approaches, including explanations of assumptions; substantial differences among approaches; and any potential compromise ideas that resulted from the meet and confer. PG&E will serve this Data Center Forecasting report to the service list of the instant proceeding no later than April 15, 2027 (to precede its May filing of the next ERRA Forecast).

Parties are clearly concerned about forecast development related to data centers; we realize that data center-related load can materialize quickly and the forecasts are impactful. Cal Advocates' and CalCCA's recommendations for improving data center forecasting may well be reasonable, and collaboration on different approaches may benefit PG&E's future forecasts. We may address meet and confer forecasting improvements within the PCIA/ERRA rulemaking, R.25-02-005, as well. We expect parties to continue to engage in the meet and confer process in good faith, and when disputes remain, they can be addressed within ERRA Forecast proceedings.

4.4. Interim Rate Relief

4.4.1. Party Positions

CalCCA asks that to the extent the Commission grants interim rate relief (IRR) in PG&E's 2027 GRC prior to PG&E's AET filing for 2027 rates, PG&E

should include the 2027 Electric Generation revenue requirement with interim rates in its final 2027 PCIA rates.

PG&E essentially agrees. It states that if the Commission authorizes the IRR by the end of 2026, PG&E will include the Electric Generation portion of that authorized IRR in rates, which CalCCA's witness supports.[52] Recovery of any authorized IRR will follow the adopted cost recovery mechanism, including recovery through both the PCIA and the New System Generation Charge, as applicable.

4.4.2. Discussion

PG&E agrees to follow the existing Commission process if we adopt IRR in the 2027 PG&E GRC. There is no need to give additional direction for PG&E to follow the normal process of incorporating IRR in rates if IRR is granted, and therefore this decision gives none.

5. Uncontested Issues

Parties generally agreed with or did not contest the remainder of PG&E's requests:

1. PG&E's 2027 electric sales forecast;
2. PG&E's proposed total revenue requirement of $3,176 million, which consists of the following elements, as adjusted by the Fall Update, with a 2027 ERRA Forecast revenue requirement of $3,447 million, consisting of $4,674 million with $1,227 in adjustments:

2027 Revenue Requirement	Original Amount (in thousands of dollars)	Fall Update
CAM (Cost Allocation Mechanism)	658,567	729,780
Ongoing CTC (Competition Transition	(19,903)	(15,111)

52 Ex. PG&E-4 , citing Ex. CalCCA-01 at 34.

Charge)		
PCIA	834,908	1,759,801
VAMOMA	524	816
ERRA	2,895,084	2,149,827
PPCP (Public Purpose Charge Procurement)	(796)	(528)
TMNBC (Tree Mortality Non-bypassable Charge Balancing Account)	30,087	29,433
BioMAT (Bioenergy Market Adjusting Tariff)	10,800	20,401
Total Revenue Requirement for Rate-setting	**4,409,270**	**4,674,418**
Adjustments for Revenue Requirements Authorized in Other Proceedings		
UOG Related Costs	(1,229,145)	(1,232,531)
RUBA-E (Residential Uncollectibles Balancing Account)	(2,186)	(6,277)
RTBA-E (D.23-11-069)		1,197
HLBA (D.23-11-069)		10,606
CCA BioMat	(1,533)	0
Total Adjustments	**(1,232,865)**	**(1,227,004)**
PG&E's Revenue Requirement Request in this Application	**3,176,405**	**3,447,414**

3. PG&E's electric rate proposals to be effective on January 1, 2027; and
4. PG&E's proposed 2027 GHG related forecasts and expenses and semi-annual California Climate Credit:

2027 GHG-Related Forecasts and Administrative, Program, and Outreach Expenses		Original Amount	Fall Update
1.	GHG Administrative and Outreach Expenses	$1.1 million (1.098 million)	$1.1 million (1.092 million)
2.	CEEE Programs (error correction)	$6 million	$5.938 million[53]
3.	Net GHG revenue return	$530 million	$535 million[54]
4.	Semi-annual California Climate Credit	$41.74	$42.11[55]

Various other issues were resolved and were not contested in briefs, including PCIA calculation errors and updates to PG&E's RA valuation methodology for energy storage resources.[56]

5.2. Electric Sales Forecast

5.2.1. Request

PG&E forecasts total retail electricity sales of 72,988 gigawatt-hours (GWh) in 2027.[57] This is an approximately 0.6 percent decrease from the system forecast adopted by the Commission for PG&E's 2026 ERRA forecast proceeding in D.25-12-027. According to PG&E, this decrease is primarily due to a lower baseline forecast and continued adoption of distributed generation.[58]

For context on its electric sales forecast, PG&E explains that

[53] Fall Update at 38.

[54] Fall Update at 109.

[55] Fall Update at 109.

[56] CalCCA Opening Brief at 42.

[57] Fall Update at 42, Line 11 of Table 2-3.

[58] Fall Update at 2-1.

> [t]he tech-focused economy in PG&E's service area is expected to struggle in the near term despite the area being the beneficiary of much of the investment in [Artificial Intelligence (AI)]. Payroll losses have slowed but recovery is uncertain and no other sector except healthcare is consistently adding jobs. Population is expected to be flat; drivers include federal immigration policy, remote work practices, and living costs, all of which have become or remain bearish. The service area shares the current global economic uncertainty with additional concern around the future of the AI industry.[59]

PG&E's bundled sales are forecast to be about 25,050 GWh, an approximately 7.5 percent decline from the bundled forecast adopted in the 2026 ERRA forecast proceeding. The decrease is the result of a small decrease in the system forecast combined with a lower bundled data center forecast, and continuing CCA expansion. There are ten DA providers and twelve CCAs currently serving load in PG&E's service territory in 2026.[60] In total, PG&E expects CCA and DA providers to serve approximately 70 percent of PG&E's total system sales in 2027.[61]

The 2027 annual system peak forecast is approximately 4 percent lower than the 2026 peak forecast adopted by D.25-12-027. Drivers include year-over-year changes in observed weather and updated historical data. The 2027 bundled peak forecast is approximately 11 percent lower compared to the 2026 peak

[59] Ex. PG&E-1 at 2-2.

[60] PG&E states that CCA entities currently serving load in PG&E's service territory include: Marin Clean Energy (MCE), Sonoma Clean Power (SCP), Clean Power San Francisco (CPSF), Peninsula Clean Energy (PCE), Silicon Valley Clean Energy (SVCE), Redwood Coast Energy Authority (RCEA), Pioneer Community Energy (PIO), Central Coast Community Energy (3CE), Valley Clean Energy Alliance, Ava, formerly known as East Bay Community Energy (EBCE), King City Community Power (KCCP), and the City of San José, Administrator of San José Clean Energy (SJCE). Ex. PG&E-1 at 2-1 n.1.

[61] Ex. PG&E-1 at 2-1.

forecast adopted in PG&E's 2026 ERRA Forecast proceeding. Year-over-year growth at the system level is generally mirrored at the bundled forecast level, but in this case, it is lessened by CCA expansion, which reduces bundled sales.[62]

According to PG&E, its data center forecast includes impacts from large data centers expected to newly connect or expand capacity in its service territory, as well as other large data centers already online as of November 2025. The forecast scope is limited to data centers in the large commercial/industrial customer class that are expected to take electric distribution or transmission service from PG&E.

PG&E states its forecast assumes no offsetting impacts from on-site generation. (New statutes on data centers have just been enacted, including SB 886 and Assembly Bill 2383 which require data centers to bear their own grid costs, but it is too soon to assess the statutes' impact on PG&E's current forecast.) The forecast includes projects from the application queue that reached a certain level of maturity as of forecast development; they are either online and expected to increase capacity by year-end 2027 or forecasted to come online by the end of 2027.

As CalCCA asserts in connection with its meet and confer objections in the contested issue section of this decision, PG&E assumes any data center in a CCA territory will take service from the respective CCA.

5.2.2. Discussion

We previously addressed the limited contested issues related to the sales forecast, which did not impact the 2027 forecast outcome. We reviewed the full

[62] Ex. PG&E-1 at 2-2.

record regarding PG&E's sales forecast for 2027 and find it reasonable. We adopt PG&E's sales forecast, as updated in the Fall Update, without change.

5.3. Revenue Requirement

5.3.1. Request

In the original Application, PG&E seeks a total revenue requirement of $3,176 million. This figure consists of a revenue requirement for rate-setting purposes of $4,409 million which includes $1,233 million of revenue requirements approved in other Commission proceedings. This amount includes a VAMOMA forecast of $0.5 million, PCIA forecast of $835 million, Ongoing CTC forecast revenue requirement of $20 million, ERRA forecast revenue requirement of $2,895 million, PPCP subaccount forecast revenue requirement credit of $0.8 million, TMNBC forecast revenue requirement recovery of $30 million, CAM forecast recovery of approximately $659 million, and BioMat forecast revenue requirement of approximately $11 million. (The Fall Update reduces the BioMat amount to zero, as reflected in the Fall Update column below. PG&E's Opening Brief explains that it removed a Central Coast Community Energy project from its 2027 forecast as the project will not come online until 2028.[63]) The final revenue requirement implemented in 2027 rates will be subject to adjustments for recorded year-end balancing account balances and the final decisions of any other proceedings, through the AET process.

The Fall Update changes the foregoing totals to $3,447 million, consisting of $4,674 million with $1,227 in adjustments, with details in the Fall Update column below:

2027 Revenue Requirement	Original Amount (in thousands of dollars)	Fall Update

[63] Ex. PG&E-5 at 19.

CAM (Cost Allocation Mechanism)	658,567	729,780
Ongoing CTC (Competition Transition Charge)	(19,903)	(15,111)
PCIA	834,908	1,759,801
VAMOMA	524	816
ERRA	2,895,084	2,149,827
PPCP (Public Purpose Charge Procurement)	(796)	(528)
TMNBC (Tree Mortality Non-bypassable Charge Balancing Account)	30,087	29,433
BioMAT (Bioenergy Market Adjusting Tariff)	10,800	20,401
Total Revenue Requirement for Rate-setting	**4,409,270**	**4,674,418**
Adjustments for Revenue Requirements Authorized in Other Proceedings		
UOG Related Costs	(1,229,145)	(1,232,531)
RUBA-E (Residential Uncollectibles Balancing Account)	(2,186)	(6,277)
RTBA-E (D.23-11-069)		1,197
HLBA (D.23-11-069)		10,606
CCA BioMat	(1,533)	0
Total Adjustments	**(1,232,865)**	**(1,227,004)**
PG&E's Revenue Requirement Request in this Application	**3,176,405**	**3,447,414**

As is evident from the table, the forecast change is largely due to an increase in the forecast for the PCIA, with an increase from $834.9 million to $1.759 billion.

5.3.2. Discussion

There is no dispute about PG&E's revenue requirement other than the matters discussed in the contested issues section of this decision. In light of the full record and after review, we find it reasonable to approve PG&E's requested revenue requirement for 2027. The disposition of PG&E's forecast December 31, 2026, year-end balancing account balances will be subject to adjustments for recorded balances through the AET process.

ERRA revenue requirements are subject to true-up so that actual amounts are ultimately substituted for the forecast, so ratepayers do not overpay if the forecast turns out to have been overstated. Thus, ratepayers will be made whole for any overcollection.

5.4. Electric Rates

5.4.1. Request

The rate impacts of PG&E's request appear below. These amounts were amended in Attachment B to the Fall Update.

Pacific Gas and Electric Company
Illustrative Electric Revenue
Increase and Class Average Rates
January 1, 2027

Line No.	Customer Class	Proposed Revenue Increase (000's)	Present Rates ($/kWh)	Proposed Rates ($/kWh)	Percentage Change	Line No.
	Bundled Service*					

1	Residential	$	154,825	$	0.33134	$	0.34685	4.7%	1
2	Small Commercial	$	45,951	$	0.40796	$	0.42849	5.0%	2
3	Medium Commercial	$	43,714	$	0.36188	$	0.38474	6.3%	3
4	Large Commercial	$	68,559	$	0.31505	$	0.33687	6.9%	4
5	Streetlights	$	1,285	$	0.44335	$	0.46083	3.9%	5
6	Standby	$	15,496	$	0.17414	$	0.21287	22.2%	6
7	Agriculture	$	64,850	$	0.42949	$	0.45128	5.1%	7
8	Industrial	$	43,735	$	0.21239	$	0.23232	9.4%	8
9	Total	$	438,414	$	0.33811	$	0.35724	5.7%	9

Direct Access and Community Choice Aggregation Service**

10	Residential	$	(363,984)	$	0.27528	$	0.25286	-8.1%	10
11	Small Commercial	$	(92,762)	$	0.32486	$	0.30633	-5.7%	11
12	Medium Commercial	$	(90,836)	$	0.26250	$	0.24383	-7.1%	12
13	Large Commercial	$	(182,886)	$	0.21911	$	0.20344	-7.1%	13
14	Streetlights	$	(2,505)	$	0.32207	$	0.30667	-4.8%	14
15	Standby	$	(2,193)	$	0.14234	$	0.12883	-9.5%	15
16	Agriculture	$	(17,168)	$	0.27225	$	0.26252	-3.6%	16
17	Industrial	$	(137,327)	$	0.13801	$	0.12668	-8.2%	17
18	Total	$	(889,662)	$	0.23386	$	0.21675	-7.3%	18

	Departing Load***				
19	Residential	$	2	0.2%	19
20	Small Commercial	$	6	1.1%	20
21	Medium Commercial	$	88	3.5%	21
22	Large Commercial	$	79	2.6%	22
23	Streetlights	$	(0)	-71.5%	23
24	Standby	$	-	0.0%	24
25	Agriculture	$	62	6.6%	25
26	Industrial	$	1,942	4.7%	26

* Customers who receive electric generation as well as transmission and distribution service from PG&E.

** Customers who purchase energy from non-PG&E suppliers.

*** Customers who purchase their electricity from a non-utility supplier and receive transmission and distribution service from a publicly owned utility or municipality. A rate comparison cannot be provided for Departed Load as the applicable rates vary by specific departed load customer categories and any average rate that could be derived, would not be representative of any particular departed load category.

The Fall Update, Attachment B, Tables 13-5, 13-7 and 13-11, changed these illustrative rates as follows:

PROPOSED 2027 AVERAGE TOTAL GENERATION RATES FOR BUNDLED CUSTOMERS ($/KWH)

Line No.	Customer Class	Proposed Rate
1	Residential	$0.09815
2	Small Commercial	$0.09441
3	Medium Commercial	$0.09984
4	Large Commercial	$0.09478
5	Streetlights	$0.07866
6	Standby	$0.06569
7	Agriculture	$0.09137
8	B20/E20 T	$0.08190
9	B20/E20 P	$0.08378
10	B20/E20 S	$0.08810
11	BEV1	$0.07698
12	BEV2	$0.08877

PROPOSED 2027 NEW SYSTEM GENERATION CHARGE RATES ($/KWH)

Line No.	Customer Class	Proposed Rate
1	Residential	$0.01378
2	Small Commercial	$0.00888
3	Medium Commercial	$0.00806
4	Large Commercial	$0.00806
5	Streetlights	$0.00805
6	Standby	$0.00685
7	Agriculture	$0.00929
8	B20/E20 T	$0.00713
9	B20/E20 P	$0.00713
10	B20/E20 S	$0.00713
11	BEV1	$0.00888
12	BEV2	$0.00806

PROPOSED 2027
RESIDENTIAL FIXED CHARGE RATES
($/Day)

Line No.	Customer Class	Rate Component	Proposed Rate
1	Residential	NSGC	$0.19052
2	Residential	TMNBC	$0.00761
3	Residential	BioMAT	$0.00528
4	Residential	PPCP	-$0.00014

5.4.2. Discussion

No party disputed any specific aspect of PG&E's requested rates. Upon review, we find the proposed rates to be reasonable and approve them.

5.5. Greenhouse Gas-related Requests

5.5.1. Request

The California Air Resources Board allocates GHG allowances to the California IOUs on behalf of IOU customers. The revenue from the sale of these GHG allowances is returned to ratepayers and helps offset the increases in electricity costs that result from GHG compliance. In its Application, PG&E proposed forecasts of these revenues, and for the related funding and programs.

We note that R.25-07013 is currently considering changes to the California Climate Credit; interim changes were adopted in D.26-04-036. Changes to the residential electric Climate Credit made in that decision will apply in 2027 absent any further direction, and PG&E updated its application as directed. Also in D.26-04-036, the Commission implemented express direction in statute requiring utilities to remit five percent of GHG revenues to the State's Transmission

Accelerator Revolving Fund.[64] PG&E's Fall Update reflects these remittances and the required reporting.

PG&E's GHG request and resulting California Climate Credit are as follows:

2027 GHG-Related Forecasts and Administrative, Program, and Outreach Expenses		**Original Amount**	**Fall Update**
1.	GHG Administrative and Outreach Expenses	$1.1 million (1.098 million)	$1.1 million (1.092 million)
2.	CEEE Programs (error correction)	$6 million	$5.938 million[65]
3.	Net GHG revenue return	$530 million	$535 million[66]
4.	Semi-annual California Climate Credit	$41.74	$42.11[67]

PG&E states it recognizes that, following the recent passage of AB 1207, it may no longer request new GHG funding for CEEE Program costs. That statute sunsetted the CEEE allocation as of July 1, 2026:

> Pub. Util. Code Section 748.5(c) The commission may allocate up to 15 percent of the revenues, including any accrued interest, received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to electrical distribution utilities pursuant to subdivision (b) of Section 95890 of Title 17 of the California Code of Regulations, for clean energy and energy efficiency projects established pursuant to statute that are administered by the electrical

[64] D.26-04-036, Ordering Paragraphs 5 and 6.

[65] Ex. PG&E-5 at 38.

[66] Ex. PG&E-5 at 109.

[67] Ex. PG&E-5 at 109.

> corporation, or a qualified third-party administrator as approved by the commission, and that are not otherwise funded by another funding source. *This subdivision shall become inoperative on July 1, 2026.* (Emphasis added.)

PG&E also explains the CEEE "error correction" shown in the above table:

> PG&E requests $5.9 million from the [Greenhouse Gas Revenue Balancing Account (GHGRBA)] to correct a prior error. D.24-05-065 discontinued the [Community Solar-Greet Tariff (CS-GT)] program and PG&E formally closed the program in 2025. To close the CS-GT balancing account, PG&E sent the remaining balance of $9 million from that account as follows: (1) $3.3 million of unspent PPP funding transferred to the [Disadvantaged Communities-Green Tariff (DAC-GT)] balancing account, and (2) $5.8 million of unspent GHG auction proceeds returned to the GHGRBA. PG&E verified the $5.8 million of unspent GHG funds had been returned to the GHGRBA in the 2026 ERRA Forecast testimony, but the accompanying table mistakenly reflected these funds as an additional $5.923 million true-down. This error in the tables was included in the approved final Decision, which resulted in PG&E returning a second 25.9 million from the DAC-GT balancing account to the GHGRBA in April 28 2026. To correct this mistaken double return to the GHGRBA, PG&E requests this second returned amount be sent back to the DAC-GT balancing account in this filing as detailed in Table 17-6, line 5.[68]

PG&E also requests approval of its forecasts for administrative and outreach expenses, GHG allowance revenue return amount, and proposed California Climate Credit amounts for 2027 for residential and eligible small business customers. PG&E's Fall Update proposes $42.11 as the California Climate Credit amounts.

[68] Ex. PG&E-1 at 17-13.

Finally, PG&E requests the Commission approve as reasonable PG&E's 2025 recorded GHG administrative and customer outreach costs of $0.867 million (which remained the same in the Fall Update).[69]

5.5.2. Discussion

Upon review we find that PG&E's GHG-related requests, including the correction of the CEEE error, are reasonable and should be approved. The California Climate Credit of $42.11 as well as PG&E's 2025 recorded GHG administrative and customer outreach costs are reasonable and are approved as well.

6. Fall Update

Because ERRA applications are filed in the spring of each year, the initial forecasts require updating in the fall. The Fall Update has traditionally served to update testimony, including with the required Market Price Benchmarks (MPB). This information is provided to PG&E by the Commission's Energy Division, which compiles and provides updated MPBs in October. PG&E also made changes based on Commission decisions that require certain updates be included in the Fall Update.

The Fall Update revenue requirement forecast increase is largely due to an increase in the forecast for the PCIA from $834.9 million to $1.759 billion.

PG&E's updated total forecast is $3,447 million, consisting of $4,674 million with $1,227 in adjustments (an increase of $271 million), with the biggest increase in the forecast for the PCIA, from $834.9 million to $1.759 billion. The table below shows the updated revenue requirements for the various ERRA

[69] Fall Update at 40.

forecast components as well as the original amounts set forth in the initial application.

2027 ERRA Forecast Revenue Requirements – Original and Fall Update (values are in $000,000s)

2027 Revenue Requirement	Original Amount (in thousands of dollars)	Fall Update
CAM (Cost Allocation Mechanism)	658,567	729,780
Ongoing CTC (Competition Transition Charge)	(19,903)	(15,111)
PCIA	834,908	1,759,801
VAMOMA	524	816
ERRA	2,895,084	2,149,827
PPCP (Public Purpose Charge Procurement)	(796)	(528)
TMNBC (Tree Mortality Non-bypassable Charge Balancing Account)	30,087	29,433
BioMAT (Bioenergy Market Adjusting Tariff)	10,800	20,401
Total Revenue Requirement for Rate-setting	**4,409,270**	**4,674,418**
Adjustments for Revenue Requirements Authorized in Other Proceedings		
UOG Related Costs	(1,229,145)	(1,232,531)
RUBA-E (Residential Uncollectibles Balancing Account)	(2,186)	(6,277)
RTBA-E (D.23-11-069)		1,197
HLBA (D.23-11-069)		10,606
CCA BioMat	(1,533)	0

Total Adjustments	**(1,232,865)**	**(1,227,004)**
PG&E's Revenue Requirement Request in this Application	**3,176,405**	**3,447,414**

PG&E's GHG and California Climate Credit-related figures are also updated in the Fall Update, as follows:

2027 GHG-Related Forecasts and Administrative, Program, and Outreach Expenses		**Original Amount**	**Fall Update**
1.	GHG Administrative and Outreach Expenses	$1.1 million (1.098 million)	$1.1 million (1.092 million)
2.	CEEE Programs (error correction)	$6 million	$5.938 million[70]
3.	Net GHG revenue return	$530 million	$535 million[71]
4.	Semi-annual California Climate Credit	$41.74	$42.11[72]

No party opposed these amounts except as discussed elsewhere in this decision. The proposed amounts are reasonable and are approved.

7. Trigger Application Compliance

The questions before us in this section are, has PG&E satisfied applicable requirements from D.02-10-062 and D.08-08-011 in filing its expedited ERRA Trigger Application A.26-10-013, and is it reasonable to address the overcollected balance in this proceeding?

[70] *Id*. at 38.

[71] *Id* at 109.

[72] *Id*.

As previously discussed, PG&E filed its Trigger Application due to an overcollection in its ERRA BA and these issues were consolidated with the Application. PG&E's Trigger Application requested a Commission finding that PG&E complied with the requirements to file an expedited application as a result of its ERRA overcollection exceeding the trigger point.

D.02-10-062 and D.08-08-011 require PG&E to file an expedited application to address balances in the ERRA BA that are not forecasted to self-correct and that exceed the established trigger point.[73]

The trigger application states that PG&E filed the expedited application when it determined that the overcollected ERRA balance was no longer forecasted to self-correct below the trigger point within 120 days.[74]

PG&E did not seek a rate change within the Trigger Application because it would be more "efficiently, expeditiously accomplished through the 2027 ERRA forecast proceeding," and the standard implementation of year-end account balances into 2027 rates would automatically occur with the approval of PG&E's Fall Update in the instant proceeding.[75]

The two proceedings were consolidated on November 13, 2026. Cal Advocates and CalCCA supported consolidation of the proceedings as well as addressing the overcollection through the ERRA forecast. No aspect of the Trigger Application is in dispute.

We conclude that PG&E complied with D.02-10-062 and D.08-08-011 in filing its expedited ERRA Trigger Application A.26-10-013. We find it reasonable and efficient to correct the overcollection through implementation of the ERRA

[73] D.08-08-011 at. 7, OP 3; D.02-10-062 at 64-66; 76, Conclusion of Law 15.

[74] A.26-10-013 at 7.

[75] A.26-10-013 at 7.

forecast. We do not need to direct any further specific action in response to the Trigger Application to address the overcollection because PG&E's updated ERRA balances will return the overcollection to customers in 2027 as is the normal practice.

8. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(a) requires that all written public comment submitted prior to the submission of the proceeding are part of the administrative record of the proceeding. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

As of early November 2026, 31 public comments appeared on the Docket Card for this proceeding. The public comments opposed recovery of wildfire and emergency response costs as well as high executive compensation and profits, cited PG&E's high rates and past record regarding wildfire deaths and property destruction, and raised concerns about data center impacts on rates.

9. Procedural Matters

This decision affirms all rulings made by the Administrative Law Judges and assigned Commissioner in both the consolidated proceedings. All motions not ruled on are deemed denied.

10. Comments on Proposed Decision

The proposed decision of ALJ Maria Sotero in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. The parties stipulated to a shortened comment and reply

comment period in their Joint PHC Statement filed on July 9, 2026, and also did so at the PHC. Opening comments were due 4 business days after mailing of this proposed decision and reply comments were due 3 business days after opening comments are due. Comments were filed on _____, and reply comments were filed on _____ by _____.

11. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Maria Sotero and Sarah Thomas are the assigned ALJs in this proceeding.

Findings of Fact

1. PG&E's Fall Update forecasts total retail electricity sales of 72,988 gigawatt-hours (GWh) in 2027.

2. PG&E's Fall Update requests a revenue requirement of $3.447 billion for 2027.

3. PG&E's Fall Update provides updated rate impacts from this proceeding as set forth in the Fall Update section of this decision.

4. PG&E's Fall Update proposes GHG accounting as set forth in the Greenhouse Gas Requests section of this decision.

5. PG&E's Fall Update proposes a California Climate Credit amounting to two payments of $42.11 in 2027.

6. Volatility for all ratepayers is reduced when forecasted resource values are overall closer to actual recorded values.

7. Data center forecasting is complex and impactful to ERRA rates, and collaboration regarding different approaches may result in improvements to forecasting.

8. PG&E has post-2018 and pre-2019 banked RECs.

9. The Commission determined in D.26-09-047 that Pre-2019 banked RECs have a value of zero for purposes of calculating the PCIA.

10. PG&E filed an expedited application to address balances in the ERRA BA that was not forecasted to self-correct and that exceeded the established trigger point.

Conclusions of Law

1. PG&E's Fall Update forecast of total retail electricity sales of 72,988 gigawatt-hours (GWh) in 2027 is reasonable and should be approved.

2. PG&E's Fall Update ERRA revenue requirement request of $3,447,414 million, in addition to the revenue requirement of $1,227,004 million approved by the Commission in other proceedings or advice letters, for a total electric procurement costs revenue requirement for ratesetting purposes of 4,674,418 million, is reasonable and should be approved.

3. The disposition of PG&E's forecast December 31, 2026, year-end balancing account balances will be subject to adjustments for recorded balances through the AET process.

4. ERRA forecasted revenue requirement is subject to a true-up process reflecting actual costs.

5. PG&E's rate impacts set forth in the Electric Rates section of this decision are reasonable and should be approved.

6. PG&E's proposed GHG accounting set forth in the Greenhouse Gas Requests section of this decision is reasonable and should be approved.

7. PG&E's proposed California Climate Credit amounting to two payments of $42.11 in 2027 is reasonable and should be approved.

8. PG&E's 2025 recorded GHG administrative and customer outreach costs are reasonable and should be approved.

9. PG&E's proposed method for valuing intermittent non-storage resources for PCIA ratemaking purposes is reasonable and should be adopted.

10. It is reasonable for PG&E and stakeholders to meet and confer regarding data center forecasting approaches.

11. It is reasonable to direct PG&E to explain its assumptions and modeling inputs for data center forecasts.

12. RECs that are retired in WREGIS may not be used for RPS compliance or sold.

13. PG&E is not required to use post-2018 banked RECs to meet its RPS compliance shortfalls.

14. Pre-2019 banked RECs have a value for purpose of calculation of the PCIA of zero.

15. The Fall Update reflected the ERRA balance that was the subject of the Trigger Application A.26-10-013 and therefore the overcollected ERRA balance is addressed in the implementation of this decision.

16. PG&E complied with D.02-10-062 and D.08-08-011 in filing its expedited ERRA Trigger Application A.26-10-013.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to recover a revenue requirement of $ 3,447,414 million for its 2027 Energy Resource Recovery Account, effective January 1, 2027.

2. Pacific Gas and Electric Company (PG&E) is authorized to implement its proposed 2027 electric sales forecast and the rate proposals associated with its proposed total electric procurement related revenue requirements, to be effective on January 1, 2027. PG&E is also authorized to implement its proposed

greenhouse gas-related forecasts and administrative, program, and outreach expenses. Within 30 days of the issuance of this decision, Pacific Gas and Electric Company shall file a Tier 1 Advice Letter with tariffs to implement this decision.

3. Pacific Gas and Electric Company's recorded 2025 greenhouse gas administrative and outreach expenses are reasonable and are approved.

4. Pacific Gas and Electric Company complied with the requirements in D.02-10-062 and D.08-08-011 in filing its expedited trigger application A.26-10-013 as a result of its ERRA overcollection exceeding the 5 percent trigger point.

5. Pacific Gas and Electric Company shall serve a Data Center Forecasting Report summarizing data center forecasting meet and confer discussions; describing parties' different data center forecasting approaches, explanations of assumptions, and substantial differences among approaches; and describing any compromise approaches that resulted from the meet and confer, to the service list of A.26-05-007 et al. no later than April 15, 2027.

6. Pacific Gas and Electric Company shall explain all assumptions and modeling inputs for its data center forecasts in its testimony supporting future Energy Resource Recovery Account (ERRA) Forecast applications. This includes providing an explanation of any methodological or assumption changes between the May applications and the Fall Updates, as well as an explanation of differences between the ERRA Forecast and the applicable Integrated Energy Policy Report Forecast for data center load.

7. Application 26-05-007 is closed.

8. Application 26-10-013 is closed.

This order is effective today.

Dated _____, at Sacramento, California