



California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

PRESS RELEASE

Docket #: A.21-06-021

CPUC Releases Two Proposed Decisions in Response to PG&E's Request for New Safety and Reliability Investments

CPUC plans strike a balance between strengthening the electric grid and affordability

SAN FRANCISCO, Sept. 13, 2023 – The California Public Utilities Commission (CPUC) today released two proposed decisions in response to Pacific Gas and Electric Company's (PG&E) request for new safety and reliability investments in its service area. The proposed decisions, which are part of PG&E's General Rate Case (GRC) covering its operational and infrastructure costs for 2023-2026, strike a balance between strengthening the electric grid for the future and affordability.

"PG&E's job is to propose a four-year budget, including its plans for the activities it needs to carry out to deliver safe and reliable services to its customers," said CPUC Executive Director Rachel Peterson. "Our job by the end of the proceeding is to reach a proposed decision on the services and initiatives PG&E should commit to over the next four years, and the amount of money it can collect from its customers to cover the cost."

In PG&E's initial GRC application, the utility requested many changes it claimed were necessary to ensure the safety and reliability of its energy services. Inflation and a significant investment in undergrounding electric lines ranked among the top cost drivers in PG&E's request. Over the past year and a half, multiple parties reviewed PG&E's GRC request and provided input on each cost category and related proposed expenditures. Based on the evidence presented, the CPUC today issued two proposed decisions that respond to PG&E's GRC request:

1. A Proposed Decision (PD) drafted by Administrative Law Judges (ALJs).
2. An Alternate Proposed Decision (APD) developed by Commissioner John Reynolds, who is assigned to the proceeding.

The CPUC is expected to consider the PD and APD its Nov. 2, 2023 Voting Meeting.

The Proposed Decisions prioritize investments in safety, reliability, and energization

The CPUC's proposed responses to PG&E's initial GRC request are designed to advance and modernize PG&E's energy infrastructure and operations, addressing several critical objectives:

- **Mitigating Wildfire Risk:** The investments proposed in the proposed decisions are intended play a pivotal role in reducing the risk of catastrophic wildfires, safeguarding communities, and protecting the environment.
- **Enhancing Safety and Reliability:** The proposals aim to elevate safety and reliability across PG&E's entire system, ensuring a more secure energy supply for all customers.
- **Preparing for Future Growth:** The proposals would fund investments in the electric distribution grid to support building and transportation electrification and to connect new customers, such as housing developments and businesses.

This comprehensive approach supports PG&E's ability to maintain a safe and reliable energy system and a dedicated workforce, and positions California for a more resilient energy future. At the same time, both proposals reduce PG&E's request for ratepayer funds.

Among the key initiatives covered in the proposed decisions:

- **Wildfire System Enhancement and Undergrounding**
 - Both proposed decisions approve funds to harden 2,000 miles of the electric grid and lower the risk of wildfire ignition within PG&E's system. The PD recommends undergrounding 200 miles and installing covered conductor on 1,800 miles. The APD recommends undergrounding 973 miles and installing covered conductor on 1,027 miles.
 - Both proposed decisions allow PG&E to demonstrate delivery of this wildfire mitigation option on-time and on-budget while balancing costs and affordability and include clear accountability mechanisms.
 - Additionally, to further consider the potential for undergrounding projects, the CPUC released a separate staff proposal, distinct from these proposed decisions. This proposal implements Senate Bill 884 (McGuire), which directed the creation of an [expedited](#)

[undergrounding program](#), providing an opportunity for PG&E (and other large electric utilities) to pursue additional funding for undergrounding initiatives.

- **Vegetation Management**
 - Both proposed decisions approve PG&E investing approximately \$1.3 billion in vegetation management to reduce wildfire ignition risk and improve reliability on PG&E’s electrical system.
- **Capacity Upgrades**
 - Both proposed decisions approve PG&E investing more than \$2.5 billion in upgrading the electric distribution system from 2023-2026, which will help prepare the grid to support initiatives like building electrification and new connections to the system like electric vehicle charging and new housing and businesses.

Today’s proposed decisions set out a pathway for critical investments in PG&E’s system to promote safety and reliability, while balancing affordability.

PG&E requested \$15.4 billion for 2023; both the PD and APD cut that amount substantially, by \$1.6 billion and \$2.1 billion, respectively. The PD sets 2023 costs at \$13.8 billion, marking a 13.1 percent increase compared to PG&E’s authorized 2022 revenue requirement. Meanwhile, the APD sets 2023 costs at \$13.3 billion, reflecting a 9 percent increase from the authorized 2022 revenue requirement.

PG&E’s 2022 Authorized Revenue Requirement	Proposal	Proposed 2023 Revenue Requirement	Percent Increase	Dollar Increase
\$12.2 billion	PG&E	\$15.4 billion	26%	\$3.2 billion
	PD	\$13.8 billion	13%	\$1.6 billion
	APD	\$13.3 billion	9%	\$1.1 billion

CPUC proposed decisions designed through extensive public process

The proposals unveiled today are the result of a formal ratesetting proceeding involving multiple stakeholders, and active public involvement. Over the past year, the CPUC led a process that included public participation hearings, party testimony, Evidentiary Hearings, and legal briefs.

The CPUC also required PG&E to notice all its customers via bill inserts and conducted six Public Forums in March 2022. The CPUC received more than 2,000 public comments, which have been filed on the proceeding's [Docket Card](#).

Next Steps and More Information

Parties to the proceeding have 20 days to submit their comments on the proposed decision and alternate proposed decision, which will be on the agenda for the CPUC's Nov. 2 Voting Meeting.

For members of the public who wish to provide input, a dedicated 'Public Comments' section is available on the proceeding's [Docket Card](#).

For further information, including the PD, APD, and an FAQ, please visit the [CPUC's website](#).

###

About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit www.cpuc.ca.gov for more information.