PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID #24254
RESOLUTION E-5455
November 19, 2026

R E S O L U T I O N

Resolution E-5455. Pacific Gas and Electric. Electric Rules 2, 15, and 16 Exceptional Case Submittal for Electric Transmission Interconnection for Google LLC.

PROPOSED OUTCOME:

- Approves, with modifications, an agreement to facilitate the energization of a new 250 megawatt (MW) data center load through transmission-level retail electric service for customer Google LLC.
- Modifies the energization-related capital advance and refund process, requiring an additional capital advance of $600,000 per MW and limiting annual refunds to the annual net revenues received from the customer plus an adjustment for the Income Tax Component of Contribution (ITCC).
- Allows PG&E to modify the additional capital advance requirement to align with the outcome in the Rule 30 Proceeding.
- Requires additional clarifications and reporting regarding the proposed binding cost cap for the portion of the project built by Google LLC.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this Resolution.

ESTIMATED COST:

This Resolution facilitates the energization of a new customer including both the associated costs of energization and the expected future revenues from the customer.

By Advice Letter 7785-E, Filed on December 18, 2025.

SUMMARY

This Resolution approves, with modifications, Pacific Gas and Electric Company's (PG&E) Advice Letter (AL) 7785-E, filed on December 18, 2025, requesting Commission approval of an exceptional case agreement between PG&E and Google LLC (Google) to support the energization of a new 250 megawatt (MW) transmission-level retail electric load at 230 kilovolts (kV) in San Jose, California. The Commission approves the AL with modifications, requiring additional ratepayer protections.

Specifically, the Commission requires (1) an additional capital advance from the customer of $600,000 per MW to better reflect the costs of energization, including broader transmission network upgrades, and (2) modifications to the proposed refund methodology to limit annual refunds to 100 percent of annual net revenues received from the customer. PG&E may modify the advance requirement to match the outcome in the Rule 30 Proceeding, A. 24-11-007, if warranted. The standard Base Annual Revenue Calculation (BARC) refund approach used under Electric Rule 15 may result in rapid refunds for large transmission-level customers well before sufficient net revenues have been received to offset the costs and associated risks of energizing large load. Because the applicant proposed process does not adequately account for the energization costs associated with broader transmission network upgrades, the Commission finds that an additional capital advance and an annual 100 percent net revenue refund limit are reasonable and necessary to protect ratepayers while still allowing the customer to receive a full refund over time.

This Resolution also addresses a proposed binding cost cap for the applicant-build portion of the project. The Commission clarifies that the binding cost estimate should apply to refundable costs (Standard Facilities) separately from non-refundable costs (Special Facilities), and that the binding cost cap for refundable costs should not include costs overlapping with the costs of PG&E's own work on the project. The Commission further requires PG&E to submit an information-only Tier 1 Advice Letter when the binding cost estimate is finalized, with attachments describing the binding estimate and how it was calculated.

BACKGROUND

Filing and Request

On December 18, 2025, Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 7785-E as a Tier 3 Advice Letter requesting Commission approval of an agreement

between PG&E and Google LLC (Google) to provide transmission-level retail electric service at 230 kilovolts (kV) to serve Google's facilities at 5079 Disk Drive in San Jose, California, with a forecasted demand of 250 megawatts (MW) at full build. PG&E requests approval by June 1, 2026, to support construction beginning in January 2027 and an operational in-service date in December 2028.

For context, 250 MW is larger than the average demand of all of Marin county in 2024, and about half the overall average demand of San Mateo county.[1]

Project Development and Facilities Overview

PG&E states that Google submitted an application on March 3, 2025 to interconnect a new transmission-level retail load. PG&E conducted a Preliminary Engineering Study (PES) and completed the latest PES report in December 2025. PG&E states that the PES concluded that an onsite 230 kV switching station would be required to provide 230 kV service for Google's load.

PG&E describes the project as requiring (1) an onsite switching station to interconnect to the transmission network, and, (2) underground 230 kV service lines to connect from the switching station to Google's substation. PG&E states that the switching station will use gas insulated switchgear and a breaker-and-a-half bus configuration. PG&E further states that the switching station will be designed to be expandable or reconfigurable to serve additional customers should future demand materialize.

Agreement Structure and Construction Responsibilities

PG&E submitted the agreement as an Exceptional Case Submittal under Electric Rules 2, 15, and 16. PG&E states that Google will engineer, design, and construct certain facilities as "Applicant Work," which will be transferred to PG&E upon completion, and that other work will be performed directly by PG&E pursuant to the agreement. PG&E also states that the agreement includes provisions addressing construction responsibilities and cost responsibility, including actual-cost billing and a binding cost estimate framework for certain facilities constructed by Google.

[1] Calculated based on the California Energy Commission Energy Consumption Dashboard.

Estimated Cost, Cost Recovery, and Refunds

PG&E provides a public estimated cost range of $64 million to $137 million, which does not include the Income Tax Component of Contribution (ITCC). This public cost estimate reflects only the applicant build portion of the project and does not include the costs associated with work performed directly by PG&E.

PG&E proposes that refunds to Google will be issued following the BARC methodology under Electric Rule 15, which is based on the revenues a facility generates and an estimate of future expected revenues. These refunds would only apply to standard facilities that are needed to provide standard service to the customer (Standard Facilities). Any additional Special Facilities costs will be covered following the process under Electric Rule 2 and will not be refundable.

Under the standard refund process, using the Base Annual Revenue Calculation (BARC) methodology, a customer would provide up-front payments to cover their direct cost of energization. This up-front payment would not cover broader costs of energization, such as upgrades to the broader transmission network also related to other system or customer needs. Once the customer is energized, they would be eligible for a refund of these up-front payments, based on their current load and expected future revenues. In brief, the BARC methodology takes current annual revenues from the customer and assumes those revenues will continue into the future. Then, the BARC methodology calculates an amount of upfront capital costs deemed to be justified, based upon this continuous stream of future revenues. This total amount of capital costs determined through the BARC methodology is called the BARC Formula amount.[2] That full amount of costs can be immediately refunded to the customer. Because many of the specific details of the Google case are confidential, we use general examples throughout this Resolution to provide clarity without revealing confidential information.

To take a hypothetical example: a transmission customer might provide $50 million up front to PG&E to cover the direct costs of energization. Once that customer is energized, over its first year it might pay about $12 million in electric bills to PG&E for energy delivery. Of that $12 million, about $5 million would be the net revenue, or the part of the electric bill specifically related to transmission costs and infrastructure. Based on this $5 million in actual net revenue, the BARC process would allow for an end-of-year refund of about $46 million (the amount of capital investment deemed justified,

[2] For additional detail on the BARC methodology, including an example, see PG&E Supplemental Testimony Work Paper 1 in A. 24-11-007, submitted March 21, 2025.

assuming the customer's net revenue continues indefinitely into the future at about the same level). The immediate refund could be about nine times larger than the actual net revenues collected from the customer in the first year. The total refund cannot be larger than the $50 million originally advanced by the customer. In following years, the customer could receive the remaining $4 million in refunds if its electric bills increase, but no more than this.

As a customer is refunded, the related capital costs are added to PG&E's accounts and ultimately recovered from ratepayers. While this Advice Letter does not request cost recovery authorization, PG&E provides preliminary information regarding jurisdictional cost allocation. PG&E anticipates that most of the new transmission infrastructure will fall under Federal Energy Regulatory Commission (FERC) jurisdiction and be recoverable through PG&E's Transmission Owner (TO) Formula Rate. A small portion of the facilities, including certain interconnection elements, may be subject to CPUC jurisdiction and addressed in future general rate cases or applications.

Prior Exceptional Case Filings for Large Transmission-Level Loads

The Commission recently addressed similar exceptional case agreements for transmission-level energization of large data center loads in Resolution E-5420, Resolution E-5433 and Resolution E-5439. In all cases, the Commission approved PG&E's exceptional case filing with modifications, requiring additional ratepayer protection by limiting annual refunds to 75 percent of annual net revenues from the customer, recognizing that the standard BARC refund approach may refund large transmission-level customers too quickly.

Rule 30 Application – A. 24-11-007

In A. 24-11-007, the Commission is currently considering a standard rule to address this kind of large-load energization at the transmission level for the PG&E territory. On July 28, 2025, Decision 25-07-039 was issued in that proceeding, partly granting and partly denying PG&E's request for interim implementation of the proposed Rule 30.

Confidentiality

PG&E submitted the executed agreement and a summary of agreement terms as confidential attachments, stating that the agreement contains confidential customer

information and negotiated commercial terms. This Resolution discusses confidential elements only in general terms.

NOTICE

Notice of AL 7785-E was made by publication in the Commission's Daily Calendar. Pacific Gas and Electric states that a copy of the Advice Letter was mailed and distributed in accordance with Section 4 of General Order 96-B.

PROTESTS

PG&E's Advice Letter 7785-E was timely protested by Imel Enterprises, LLC (Imel) on January 6, 2026 and by the Public Advocates Office (Cal Advocates) on January 7, 2026. PG&E responded to the protests on January 14, 2026.

Cal Advocates Protest — January 7, 2026

Cal Advocates protests approval of the agreement without modifications, arguing that the proposed refund methodology and applicant-build provisions create unreasonable risks of improper cost shifts to ratepayers. Cal Advocates requests that the Commission require a refund methodology consistent with Resolution E-5420 and Resolution E-5439, including limiting annual refunds to 75 percent of annual net revenues received from the customer, with the refund calculation adjusted for the Income Tax Component of Contribution (ITCC), and extending the refund eligibility period from 10 years to 15 years so the customer may still receive a full refund over time. Cal Advocates contends that using the standard Base Annual Revenue Calculation (BARC) refund approach for a large transmission-level data center could result in refunds occurring well before net revenues actually received from the customer cover energization-related costs, particularly because transmission-level customers pay different rates than distribution customers on which the standard BARC approach is based. Cal Advocates also references the Newark–NRS 230 kilovolt (kV) transmission line project as context for broader transmission network impacts and argues that the size of Google's 250 MW load further supports additional ratepayer protections. Cal Advocates notes that the Newark-NRS 230 kV transmission line to which the new Google load would connect is an approximately $1 billion project, currently under construction, with potential revenue requirement of $100 million per year (decreasing to $40 million per year after 40 years).[3]

[3] Cal Advocates Protest at p. 4.

Cal Advocates further raises concerns regarding cost accounting and the proposed binding cost estimate for applicant-build work. Cal Advocates requests, in summary, that: (1) PG&E oversight and inspection costs should not be refundable; (2) the final binding cost estimate should be provided to the Commission for review; (3) refundable Standard Facilities and non-refundable Special Facilities should be treated separately in calculating the binding cost estimate so the refundable cap is clear; and (4) the agreement should not allow an excessive level of contingency to be included in the refundable cap. Cal Advocates also proposes that the binding cost estimate for refundable Standard Facilities should be set in a manner that reasonably constrains the refundable amount relative to PG&E's and the customer's estimates, and that the estimate should be supported by clear cost-accounting details. Cal Advocates alternatively requests that the Commission require PG&E to use interim Electric Rule 30 implementation agreements rather than proceeding under Electric Rules 2, 15, and 16 for this project.

Imel Protest — January 6, 2026

Imel protests the AL on the grounds that PG&E's filing allegedly lacks sufficient technical and cost details to determine whether the agreement is equitable to all parties, and requests that the agreement be made available to the public in redacted form rather than treated as confidential.

PG&E Reply — January 14, 2026

PG&E's reply responds to both protests. Responding to Cal Advocates, PG&E addresses five main issues raised in its protest: (1) the refund methodology, (2) the binding cost estimate, (3) PG&E oversight and inspection costs, (4) submission of the binding cost estimate to the Commission, and (5) whether interim Electric Rule 30 should be used instead of Electric Rules 2, 15, and 16. PG&E argues that applying the BARC-based refund approach is appropriate and reflects long-standing Commission-approved practice under Electric Rules 15 and 16, and contends that the agreements include sufficient protections (including charges and provisions intended to ensure the customer bears the costs of its energization if its load does not materialize). PG&E also asserts that Resolution E-5420 and Draft Resolution E-5439 are explicitly non-precedential, and disputes Cal Advocates' characterization that the Google project drove the need for the Newark-NRS 230 kV line, stating that the project was identified in California Independent System Operator (CAISO) planning before Google's interconnection request.

With respect to the binding cost estimate, PG&E contends that Cal Advocates misunderstands how the binding cost estimate and contingency interact and states that the binding cost estimate will be developed after additional engineering work is completed. This binding cost estimate will not be based on the current public range estimate of $64 million to $137 million. PG&E states that Google's cost estimate, used to establish the binding cost estimate, will be constrained by PG&E's own internal estimate plus a standard contingency amount. If the customer's estimate exceeds that constraint, additional Commission approval would be required through a new Advice Letter submission. PG&E states that it does not object to providing the finalized binding cost estimate to the Commission in a Tier 1 Advice Letter on an information-only basis once available, but opposes an approach that would reopen the agreement for re-approval at that stage.

PG&E also argues that PG&E oversight and inspection costs should be included and are not duplicative of the customer's costs, and states that oversight costs are appropriate for refund because they are incurred regardless of whether PG&E or the applicant constructs the facilities. PG&E opposes requiring the use of interim Electric Rule 30 implementation agreements in lieu of the proposed exceptional case agreement under Electric Rules 2, 15, and 16, as this would unnecessarily delay the project and create substantial uncertainty for the customer.

As to Imel, PG&E argues that the requested technical details and negotiated commercial cost terms are confidential and proprietary and may also implicate sensitive infrastructure information, and that public disclosure of negotiated commercial terms is not appropriate. PG&E states that it can provide confidential details to the Commission as needed for review.

DISCUSSION

The Commission has reviewed AL 7785-E, the protests, and PG&E's reply. We approve the Advice Letter with modifications. The modifications are necessary to provide additional ratepayer protections corresponding to the transmission-level energization of a very large load and to clarify the binding cost cap structure for the applicant-build portion of the project. In this discussion, we address: (1) whether it is reasonable to approve the agreement as an exceptional case; (2) whether it is reasonable to require an additional capital advance to reflect the energization costs associated with broader transmission network upgrades, allowing that amount to be updated in accordance

with the outcome in the Rule 30 proceeding; (3) whether the refund methodology should be modified to limit annual refunds to annual net revenues from the customer; (4) how the binding cost estimate (binding cost cap) should be structured and reported; (5) how PG&E oversight and supplemental costs should be treated to avoid overlap and double counting; (6) whether interim Electric Rule 30 implementation is required; and (7) the confidentiality and disclosure issues raised by Imel.

It Is Reasonable to Approve the Agreement as an Exceptional Case, Subject to Additional Ratepayer Protection

PG&E seeks approval of an agreement to energize a new 250 MW transmission-level retail load at 230 kV using modified Electric Rules 2, 15, and 16 form agreements due to the scale and complexity of the work, including applicant construction and transfer of certain facilities to PG&E and construction performed directly by PG&E. We find it reasonable to approve the agreement as an exceptional case because the project involves unusually large transmission-level facilities and negotiated provisions addressing applicant construction, ownership transfer, and cost responsibility that are not fully addressed by standard distribution-oriented energization practices.

At the same time, this project presents heightened ratepayer risk if the capital advances from the customer and the agreement's refund mechanisms are not properly tailored to the characteristics of a transmission-level, large-load energization. Large transmission-level customers can require expensive energization upgrades on a scale that is atypical for most customers subject to Electric Rule 15 refund practices. If refunds are paced too quickly relative to net revenues actually received, ratepayers can be exposed to stranded-cost risk if load materially declines after initial years of operation. In addition, if the customer's capital advance is small compared to the actual costs of energization, ratepayers are exposed to stranded-cost risk even if the customer never receives any refund amount. Accordingly, approval should include explicit, enforceable ratepayer protections designed for this project's scale and exceptional characteristics.

Given the Dependency of this Project on Larger Grid Upgrades, the Customer Should Provide an Additional Refundable Capital Advance of $600,000 per MW to Protect Ratepayers from these Costs. This amount can Later be Modified in Accordance with the Outcome in the Rule 30 proceeding.

In its protest, Cal Advocates notes that this project presents the same risks as the transmission-level, large-load energizations for customers STACK Infrastructure and Microsoft approved in Resolutions E-5420 and E-5439. However, Cal Advocates notes

that the 250 MW project under consideration here is "larger than the STACK and Microsoft facilities combined."[4] In addition, Cal Advocates notes that the Google facility will benefit from new planned transmission capacity provided by LS Power's Newark-NRS 230 kV transmission line, a "more than $1 billion project."[5] In fact, the new 250 MW facility will connect directly to this new transmission line, which is expected to be operational in 2028 with a total capacity of about 1000 MW. In its protest, Cal Advocates also notes that the revenue requirement associated with the Newark-NRS transmission line project, paid for by all ratepayers within the CAISO system, will be capped at $102 million during year one, decreasing to $41 million in year forty.[6] In other words, ratepayers statewide would be expected to cover about $100 million every year in revenue requirement for the Newark-NRS project once operational, with that amount slowly decreasing year by year to about $40 million by the year 2070.[7] These revenue requirement caps have already been approved by FERC, according to D. 26-03-043, which approved the Certificate of Public Convenience and Necessity (CPCN) for the Newark-NRS project in March. That decision also capped the total cost for LS Power's portion of the project at $813 million.[8] In short, the new Newark-NRS transmission line, which the proposed Google facility directly connects to and depends on, will have significant costs for ratepayers across the state. In addition, Energy Division data requests confirmed that Google's new 250 MW load depends on more than 10 other significant transmission upgrades in the South Bay region. Although the specific information on these dependencies was provided confidentially, many of these projects are likely to cost hundreds of millions of dollars like the Newark-NRS line.

As PG&E notes in its reply, the 250 MW Google facility is neither the sole cause nor the trigger for the construction of the Newark-NRS project.[9] PG&E argues that "the LS Power upgrades are moving forward with or without the proposed Google facility", the upgrades "have already been identified as necessary transmission upgrades" in CAISO plans, and "thousands of residential and commercial customers" in the region will benefit from these upgrades.[10] Finally, PG&E argues that there "is no basis for arguing

[4] Cal Advocates Protest at p. 4.
[5] Cal Advocates Protest at p. 4.
[6] Cal Advocates at p. 4.
[7] For a total revenue requirement of roughly $2.8 billion dollars over 40 years.
[8] D. 26-03-043, which closed A.24-05-014, at p. 26-28 and p. 42.
https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M599/K351/599351814.PDF
[9] PG&E Reply at p. 2.
[10] PG&E Reply at p. 3.

that a portion of these upgrade costs should be assigned explicitly or implicitly to a single ratepayer, Google."[11]

However, we need not resolve causation or planning attribution for this specific project to determine that additional ratepayer protection is reasonable here. The Advice Letter, protests and reply establish that this is a 250 MW transmission-level load connecting to that new line, and as such represents a significant portion of that new line's total capacity. PG&E has confirmed that the new 250 MW Google facility depends on the Newark-NRS project and other regional transmission upgrades. In addition, when CAISO approved modifications to the Newark-NRS project in November of 2024, doubling the expected capacity of the project, it provided the following reasoning:

> Mostly driven by the datacenter load, the long term load forecast in the San Jose area has increased from 2,100 MW in the 2021-2022 Transmission Plan to around 3,400 MW in the base scenario and around 4,200 MW in the sensitivity scenario in the current 2024-2025 transmission planning studies.[12]

Note that the 250 MW Google facility represents about 20 percent of this overall 1300 MW in load growth in the San Jose area. Given the record in this Advice Letter, we find it reasonable to require additional ratepayer protections, specifically an additional customer advance from Google related to the costs of transmission upgrades that Google depends on for its energization. This additional capital advance could later be updated to correspond to the outcome in the Rule 30 Proceeding, A. 24-11-007.

In its protest, Cal Advocates does not explicitly argue for this outcome, instead arguing that the Commission should limit refunds to 75 percent of net revenues as it did in Resolution E-5420 and E-5439. As Cal Advocates notes, the modifications to the refund process "ensure that refunds are provided only to the extent that actual net revenues cover both the costs of energization and *a portion of network upgrade costs*" (emphasis added).[13] The portion of network upgrade costs covered, however, is always *proportional to* the total refund amount. The 75 percent limit slows the refund process for this total refund amount. If that total refund amount is relatively low, the effect of the 75 percent

[11] PG&E Reply at p. 3.
[12] CAISO San Jose Area Transmission Plan, Engineering Study Report, dated November 5, 2024. Later in that report, the CAISO notes that this load growth, mostly driven by data centers, requires additional upgrades beyond just doubling the capacity of the Newark-NRS line. The report says that a "number of local overloads were identified in the need assessment study results that will not be resolved by any of the alternatives considered" at pg. 11. https://www.caiso.com/documents/decision-on-modifications-to-the-2021-2022-transmission-plan-study-nov-2024.pdf
[13] Cal Advocates Protest at p. 4-5.

limit is also relatively low. In the case considered here, the total refundable capital advance proposed in the Advice Letter is likely to be below $80 million, with the exact amount being confidential and dependent on actual costs during construction. This is a relatively low amount compared to the 250 MW size of the load and the cost of various transmission network upgrades the Google facility depends on. Because of the relatively low initial refundable capital advance in this case, the 75 percent refund limit does not adequately protect ratepayers from the risk of stranded costs from network upgrades. Additional ratepayer protections are warranted. In its Comments on the Draft Resolution, Cal Advocates agrees with the argument here.[14]

We do not think it is needed, nor is it reasonable, to determine an exact method to account for these larger transmission network costs via a Commission Resolution in response to an exceptional case filing. As noted in the background section above, these issues are already being considered more fully in a Commission proceeding, A. 24-11-007. Instead, we find that an approximate method of accounting for transmission network upgrade costs is appropriate here. We also understand that parties prefer a method that avoids significant uncertainty for large load customers seeking energization, and that uncertainty itself can deter development.[15]

Specifically, we find it reasonable to require Google to pay an additional capital advance of $600,000 per MW of requested capacity. This provides a level of certainty to Google about the costs of energization for its 250 MW load. However, this is an approximate method used in an exceptional case filing, and we also find it reasonable to allow Google and PG&E to update this additional capital advance amount to correspond to the outcome of the Rule 30 Proceeding and how transmission network upgrade costs are handled there (transmission network upgrades are called Type 4 Facilities in A. 24-11-007). In brief, if Google and/or PG&E prefer the outcome in the Rule 30 proceeding to the outcome here, they are free to modify the current agreement to reflect the outcome in the Rule 30 Proceeding. If PG&E exercises this option, it must file a Tier 2 Advice Letter within one year after the relevant Decision is issued in the Rule 30 proceeding.

For context on the $600,000 per MW additional capital advance proposed here, various methods could be pursued to arrive at an approximate figure, including the following two:

[14] Cal Advocates Comments at p. 3-5.
[15] See the Comments section below for additional detail here.

(1) Cal Advocates noted in its protest that the Newark-NRS line is a $1 billion project, and Google's 250 MW facility represents 25 percent of the capacity of that line, thus indicating $1 million per MW (of a 250 MW facility) could be appropriate.
(2) Google's facility represents about 20 percent of the load growth noted in the CAISO San Jose Area Transmission Plan, and the approved cost cap from LS Power's portion of the Newark-NRS line is $813 million, thus indicating $650,000 per MW (of a 250 MW facility) could be appropriate.

Neither of these estimates account for the transmission upgrades that the Google facility depends on other than the Newark-NRS line. We also understand that both Google and PG&E are requesting quick and practical action in this case.

Accordingly, we find the $600,000 per MW figure to be an appropriate amount to protect ratepayers from the general costs of transmission network upgrades for a transmission-level, large load exceptional case filing, and direct PG&E to modify its agreement to add this additional capital advance requirement. The $600,000 per MW figure works as an appropriate approximate method to account for the general costs of transmission network upgrades for transmission-level large loads. We note that this remains a refundable capital advance, and Google would still be expected to receive a full refund over time as load materializes.

Also, given that this is an advance per MW of capacity, it is reasonable for Google to provide the advance the year before that capacity is both requested by Google and deemed available by PG&E.[16]

Refund Methodology: Annual Refunds Must Be Limited to 100 Percent of Annual Net Revenues

We next address whether the agreement's use of the standard Base Annual Revenue Calculation (BARC) refund approach should be modified to provide additional ratepayer protection. Cal Advocates argues that the Commission should require modifications similar to those adopted in prior, substantially similar exceptional cases,

[16] For example, if Google requested 50 MW in Year 1, 150 MW in Year 2, and the full 250 MW in Year 3, and PG&E could supply only 50 MW in Years 1 and 2, and then the full 250 MW in Year 3, then Google would be required to pay the advance on 50 MW in Year 0 ($30 million), no additional advance in Year 1 because PG&E could offer no additional capacity, and the advance on the remaining 200 MW in Year 2 ($120 million). These load ramp figures are provided as an example only, and do not reflect the actual agreement between PG&E and Google.

including limiting annual refunds to 75 percent of annual net revenues received from the customer. PG&E argues that prior resolutions are expressly non-precedential and that the existing BARC process and agreement terms are sufficient.

The standard BARC framework, described in the background section above, is designed to refund certain advanced energization costs over time based on the net revenue the utility receives from the customer. This framework is intended to guide cost responsibility and refunds for distribution-level energization, and it does provide a workable framework for typical customer loads. However, considering the size of Google's request and scope of transmission-level work required to energize the project, additional customer protection is necessary to avoid risks to ratepayers if the anticipated revenue for the project does not materialize.

As noted above, the BARC process provides the refunds based on expected future revenues from the customer, meaning PG&E could refund Google for the costs of energization well before net revenues from Google actually cover the upfront costs of its energization. In a typical distribution setting, this assumption of recovery is sufficient, as (1) projects are much smaller in scale, (2) statistically, with thousands of similar energizations per year, any single customer disconnecting from the grid does not present large risks to ratepayers, and (3) the expectations of future revenue are based on many years of experience with similar customers. By contrast, in the case of Google, (1) the refundable amount is much larger, (2) Google as a customer is both large and unique enough that if sufficient revenue is not generated then it would present risk to ratepayers (in other words, there are not thousands of other similar customers to balance out Google's revenue deficit), and (3) expectations of future revenue are uncertain and based on little historical experience. Together, these differences indicate that the energization of Google presents a higher risk of stranded costs should revenue not materialize.

For purposes of this Resolution, "annual net revenues" means the revenues actually received from the customer associated with the transmission component of the customer's rates. Limiting refunds to a percentage of annual net revenues ensures refunds are paced to realized revenue, reducing risks for ratepayers.

Cal Advocates argues that the refund methodology should recognize broader transmission system costs associated with connecting this new, very large transmission-level load, such as LS Power's Newark-NRS 230 kV transmission line discussed above.

However, given the requirement for an additional capital advance, there is not a need to further limit refunds beyond the net revenue amount here.[17]

For these reasons, limiting annual refunds to 100 percent of annual net revenues appropriately balances customer refunds with ratepayer protection. The 100 percent limit paces refunds to revenues actually received—reducing stranded-cost risk if load drops materially after initial years of operation.

The underlying risk and the policy concerns are substantially similar to those in Resolutions E-5420 and E-5439. Given this similarity, brought up by Cal Advocates in its protest, it is reasonable to apply similar ratepayer-protection logic to substantially similar facts. PG&E's "non-precedential" argument does not resolve the underlying policy concern that refunds based on the unmodified BARC approach may occur too quickly relative to net revenues actually received, increasing ratepayer risks if load materially declines after initial years of operation. PG&E argues that other protections are sufficient; nevertheless, we find that limiting the annual refund amount to 100 percent of annual net revenues is reasonable and necessary given the scale of refundable costs and the risk profile of transmission-level energization for a 250 MW load. As noted above, this is higher than the 75 percent limit from previous Resolutions because broader transmission system costs will be accounted for through an additional capital advance.

Accordingly, we direct PG&E to modify the agreement to limit annual refunds to 100 percent of annual net revenues actually received from Google. This modification does not change the total eligible refund amount; it simply slows the timing of refunds both to better align with realized net revenues and to reduce ratepayer risk. Based on Google's expected load ramp, it would be expected to receive a full refund in about 8 years.

Because the 100 percent annual refund limit may extend the time needed to provide full refunds under some operational scenarios, it is also reasonable to extend the refund eligibility period from 10 years to 15 years so that the customer may still receive a full refund over time, while annual refunds are paced to net revenues actually received. PG&E may apply standard adjustments associated with the Income Tax Component of Contribution in implementing the modified refund process.

[17] However, we note that if the Rule 30 proceeding ultimately accounts for the costs of broader transmission network upgrades by limiting the refund amount to a smaller portion of net revenues (for example, to 75 percent of annual net revenues), a corresponding adjustment should be implemented here.

We make one additional modification to the standard BARC process here. Under the standard process, if a customer's expected future net revenues are not enough to justify the costs of their energization, they are charged an additional fee to cover PG&E's cost of ownership. In light of the modifications we adopt here intentionally limiting the annual refund amounts, it is not necessary to impose an additional customer-financed cost of ownership on the unrefunded amount.

Binding Cost Estimate: Clarifications and Reporting Requirements Are Reasonable and Necessary

We next address the proposed binding cost estimate (binding cost cap) applicable to the applicant-build portion of the project. According to the proposed agreement, Google will construct certain facilities (Applicant Work) and transfer them to PG&E, and Google would then be eligible for refunds of certain costs associated with this work. The binding cost estimate framework is intended to protect ratepayers by capping refundable exposure for this Applicant Work, with refunds limited to the lower of the binding cost cap or actual costs.

Cal Advocates raises multiple concerns regarding the binding cost estimate, including treatment of contingencies, separation of Standard versus Special Facilities, and Commission visibility into the final binding cost estimate. PG&E responds that the binding cost estimate will be finalized after engineering and design work progresses and indicates it does not object to providing the binding cost cap in a Tier 1 information-only Advice Letter.

We find it reasonable to approve PG&E's proposal of a binding cost estimate framework because it can cap refundable exposure for ratepayers. At the same time, additional clarifications are necessary to ensure the binding cost estimate functions as an effective cap on refundable costs and to ensure Commission visibility and enforceability without unnecessary delays to project development.

First, we clarify that the binding cost estimate for refundable costs will include only one standard contingency adjustment. The binding cost estimate for refundable costs must be bounded such that the customer's estimate used for the cap does not exceed PG&E's internal estimate for the same refundable scope plus a standard contingency, as PG&E describes in its reply.[18] If the final binding cost estimate for refundable costs would

[18] PG&E Reply at p. 5-6.

exceed that bounded amount, or if material changes would otherwise increase ratepayer exposure beyond the parameters adopted in this Resolution, PG&E must seek additional Commission approval for a modified agreement through a new Tier 3 Advice Letter.

Second, we require that the binding cost estimate be calculated and presented separately for refundable versus non-refundable costs, as recommended by Cal Advocates.[19] Specifically, the binding cost estimate cap for refunds must apply to refundable Standard Facilities costs calculated separately from Special Facilities costs that are not eligible for refund. This separation ensures that non-refundable costs do not inflate or obscure the refundable cost cap, in order to make the cap transparent and enforceable.

Third, we require PG&E to submit an information-only Tier 1 Advice Letter when the binding cost estimate for refundable Standard Facilities is finalized. The Tier 1 filing shall include attachments describing, in sufficient detail for Commission review: (a) the finalized binding cost estimate for refundable Standard Facilities; (b) the inputs, assumptions, and scope used to derive the estimate; (c) the use of a single standard contingency adjustment; (d) a clear separation of refundable Standard Facilities costs from non-refundable Special Facilities costs; and (e) the screening performed to ensure the refundable binding cost estimate excludes any overlapping oversight or supplemental costs addressed separately by PG&E (as discussed below). These attachments may be provided confidentially. This Tier 1 filing is information-only because the Commission is already approving the agreement between PG&E and Google with modifications in this Resolution. The Tier 1 filing simply provides transparency and allows Energy Division to verify consistency with the guardrails established here.

Accordingly, we approve the binding cost estimate framework with the clarifications and reporting requirements described above.

Oversight and Supplemental Costs: Avoiding Overlap Is Reasonable

In addition to the Applicant Work, the agreement between PG&E and Google also includes work to be performed directly by PG&E, including oversight and inspection costs. In its protest, Cal Advocates argues that the costs associated with PG&E's work

[19] Cal Advocates Protest at p. 8-9.

should not be refundable. PG&E argues that its oversight and supplemental costs are appropriate and do not overlap with Google's Applicant Work costs.

We agree that PG&E will incur reasonable oversight and supplemental costs associated with reviewing, coordinating, and accepting facilities constructed by Google for transfer to PG&E, and that it can be reasonable for such costs to be refundable as part of the overall cost responsibility structure for energizing a large transmission-level customer. We do not categorically exclude all PG&E oversight and inspection costs from the refundable energization costs.

However, to ensure ratepayer protection and prevent duplicative refunds, we find it reasonable to adopt a clear non-overlap standard: the binding cost estimate for Applicant Work associated with refundable Standard Facilities must exclude any costs that overlap with PG&E's own oversight and supplemental cost items. Any overlapping items should not be refundable and thus should not be included in the binding cost cap. This requirement ensures the binding cost estimate operates as a meaningful cap on refundable Applicant Work and prevents the customer from receiving refunds for costs already accounted for through PG&E's separate accounting of its own oversight and supplemental costs.

In the information-only Tier 1 Advice Letter that includes the binding cost cap, PG&E must describe the logic and screening process used to ensure the refundable binding cost estimate for Applicant Work excludes any costs that overlap with the costs of PG&E's own work.

We approve PG&E's recovery of reasonable oversight and supplemental costs in general, but require the binding cost estimate for refundable Standard Facilities to exclude overlapping items.

Interim Electric Rule 30 Is Not Required for This Disposition

In its protest, Cal Advocates proposes that the Commission require PG&E to resubmit this agreement under interim Electric Rule 30 implementation agreements if we do not modify it to include additional ratepayer protections. We decline to require interim Rule 30 implementation for this disposition because the record supports approving this exceptional case agreement under Electric Rules 2, 15, and 16 with targeted modifications that address the principal ratepayer protection concerns raised in the protests while allowing the parties to proceed on the project schedule described in the Advice Letter. The Commission's adoption of the additional capital advance and

limitation of refunds to annual net revenues, as well as the binding cost estimate clarifications and reporting requirements, provide the specific protections needed for this exceptional case.

This disposition is without prejudice to any broader Commission determinations regarding Electric Rule 30 and transmission-level energization agreements in other proceedings or future policy actions. Nothing in this Resolution should be construed as limiting the Commission's ability to adopt different or additional requirements for future agreements through the appropriate procedural vehicle.

Imel's Protest Is Dismissed

In its protest, Imel requests that PG&E provide a redacted version of the agreement and additional public detail regarding technical specifications, costs, and potential betterment. PG&E responds that the agreement is confidential and proprietary and may include sensitive infrastructure information, and that the Commission can review necessary details confidentially.

We do not agree with Imel's request for public disclosure of confidential negotiated agreement provisions and associated technical and cost details. The agreement was submitted to the Commission as a confidential attachment in compliance with General Order 66-D, and the Commission can review confidential materials as necessary to evaluate the reasonableness of the agreement and the modifications required by this Resolution. An Advice Letter disposition is not a vehicle for compelling public disclosure of confidential commercial terms or sensitive infrastructure information. To the extent Imel raises broader policy concerns regarding transparency, comparability across agreements, or betterment concepts, those concerns are governed by existing tariff rules and are more appropriately addressed through the Commission's broader policy proceedings, rather than as a condition of this exceptional case approval.

Accordingly, we dismiss Imel's protest and approve AL 7785-E with the modifications described above.

COMMENTS

This Resolution was mailed on May 29, 2026. Comments were timely filed on or before June 18, 2026 by Pacific Gas and Electric Company (PG&E), the Public Advocates Office (Cal Advocates), Google, Southern California Edison Company (SCE), the Bay Area Council, the City of San José, the Direct Access Customer Coalition (DACC), Fifth

Space, Orchard Partners, the Silicon Valley Leadership Group (SVLG), and Westbank. Menlo Equities filed late comments on June 19, 2026. We provide an overview of the various positions below and discuss changes to the draft Resolution based on these comments. The changes are reflected in the original discussion section above, as well as being discussed here.

Most commenting parties—including Cal Advocates, PG&E, Google, the Bay Area Council, the City of San José, DACC, SVLG, and Westbank— objected to the uncertainty created by the draft Resolution deferring cost-allocation decisions to the outcome of the pending Rule 30 proceeding (A.24-11-007), which has no defined issuance date. Commenters identified two distinct types of uncertainty for developers.

First, deferring key cost-allocation and refund decisions to the Rule 30 proceeding, which has no established issuance date, leaves developers and ratepayers without clarity on whether significant upfront payments will be required, in what amounts, and whether they would ever be refundable. Several parties, including Westbank, the Bay Area Council, and SVLG, state that this uncertainty makes projects difficult or impossible to finance and threatens investment decisions.[20] Cal Advocates argues that the Resolution errs in deferring key cost-responsibility and refund protections to future proceedings rather than adopting them in the agreement itself.[21] Parties are correct that uncertainty can itself become a barrier to new development and investment. We also recognize that most commenting parties objected to this uncertainty, and no party supported it. Accordingly, we agree it is reasonable to provide a concrete and practical requirement in this Resolution rather than fully defer to the outcome in the Rule 30 Proceeding, and we direct PG&E to require an additional capital advance of $600,000 per MW as just such a concrete and practical ratepayer protection. However, we still allow Google and PG&E the option to modify their agreement so that it corresponds with the outcome in the Rule 30 Proceeding and submit it to the Commission for approval via a Tier 2 AL, if they prefer that outcome.

Second, the comments highlight the absence of a clear, transparent methodology by which a developer could predict the size of any additional capital advance, with PG&E, SCE, and others arguing that the Resolution's illustrative allocation methods are unsupported by any causation analysis linking the customer's load to specific network upgrade costs. We believe a $600,000 per MW figure strikes a balance between protecting ratepayers and providing certainty based on available data for this specific

[20] Westbank Comments at p. 3; Bay Area Council Comments at p. 1; SVLG Comments at p. 1.
[21] Cal Advocates Comments at p. 4.

contract. The $600,000 per MW figure is an appropriate approximate method to account for the general costs of transmission network upgrades for transmission-level large loads.

PG&E, Google, SCE, the Bay Area Council, the City of San José, SVLC, DACC, Fifth Space, Menlo Equities, and Westbank argue that the transmission network upgrades identified in the draft Resolution — such as the CAISO-approved Newark-NRS 230 kV line — were planned for regional reliability, provide broad ratepayer benefits, and have traditionally been recovered through established transmission rates. We note that the additional capital advance is refundable, and thus the costs would ultimately be recovered through established transmission rates per the standard process.

PG&E and SCE additionally raised concerns about potential conflict with federal jurisdiction over interstate transmission. We note this Resolution is an exceptional case filing in which the customer, and many other parties, have specifically requested a concrete and practical resolution. In this case, we deem requiring a flat additional capital advance of $600,000 per MW as a condition of energization to be reasonable, and PG&E and the customer retain the option to modify this amount to match the outcome in the Rule 30 proceeding if they so choose.

Cal Advocates strongly recommends that the Commission impose an additional upfront capital advance. Cal Advocates supports the Resolution's finding that additional ratepayer protections are necessary, and recommends requiring Google to provide an upfront advance for broader transmission network upgrade costs as a condition of the approval of its energization agreement. Cal Advocates recommends one of the two methods identified in the Resolution to determine the additional capital advance amount: approximately $250 million, based on Google's 25 percent capacity share of the roughly $1 billion Newark-NRS line, or approximately $163 million, based on Google's 20 percent capacity share in South Bay load growth leading to the need for modifications to the plan for the Newark-NRS line and the approved $813 million cost.

As noted in the Discussion section above, we agree with Cal Advocates that additional ratepayer protections are required here given that (1) the scale of required upgrades for large load customers seeking transmission-level energization is much larger than would be typical for a distribution-level customer, and (2) these customers present novel risks of substantial stranded costs. The Resolution proposes a simple modification to the proposed capital advance and BARC process in response to these unique risks posed to ratepayers: limiting annual refunds to 100 percent of the annual net revenues received from the customer and requiring an additional capital advance of $600,000 per MW. The

proposed modification is relatively simple and corresponds to the preexisting logic of basing refunds on net revenues and requiring capital advances to roughly cover the costs of infrastructure needed for customer energization. We note that the $600,000 per MW figure is below both the figures originally proposed in the Resolution and supported by Cal Advocates.

A subset of the parties—including Google, Westbank, and SVLG—recommended instead following the framework of Resolutions E-5420, E-5433, and E-5439, limiting annual refunds to 75 percent of annual net revenues while leaving network upgrade costs in rate base. PG&E likewise endorsed a 75 percent refund limit, but only as a fallback position if the Commission departs from the standard BARC process, which PG&E continues to advocate.[22] In these previous exceptional cases, we choose to limit refunds to 75 percent of annual net revenues in order to leave a portion of net revenues to cover transmission network upgrades and broader transmission system costs. In the Discussion section above, we discuss why the 75 percent limit does not offer adequate ratepayer protection in the case of Google's requested 250 MW energization. None of these parties convincingly refute that limiting refunds to 75 percent of net revenues does not adequately protect ratepayers from the risk of stranded costs from network upgrades in the case where the refundable advance is relatively low compared to the size of the load seeking energization.

Cal Advocates also recommends limiting annual refunds to 75 percent of annual net revenues rather than the 100 percent limit adopted in the Resolution, but Cal Advocates recommends this *alongside* the additional capital advance. However, we do not see a clear need to limit refunds to 75 percent (versus 100 percent) of net revenues if the customer is already providing an additional capital advance related to transmission network upgrade costs.

Several parties raised technical objections and questions about how an additional capital advance would work in practice. PG&E, or any regulated utility, should be familiar with accepting customer advances and adding them as an offset to the appropriate account in their rate base. The original agreement proposed here already includes capital advances that are handled in this way. We expect that any additional capital advance be treated as an offset in the appropriate PG&E account, thus reducing general transmission rates until that advance is refunded. Any additional capital advance would affect standard transmission rates, and thus some parties' concerns about double recovery would be avoided. SCE also questions the practicality of

[22] PG&E Comments at p. 11.

collecting an advance when the related transmission line is being constructed by a third party such as LS Power. However, the proposed advance does not relate to any specific transmission network upgrades. Instead, it is a flat fee that reflects and mitigates the general retail ratepayer risks raised by the transmission network upgrades related to transmission-level, large load energization.

Menlo Equities argues that the accounting practicalities of tracking costs and credits across an integrated regional grid present significant administrative impracticality, while Orchard Partners cautions that bespoke payback mechanisms for deep-grid upgrades would create an "endless maze of administrative complexity" whose overhead would ultimately be borne by ratepayers.[23] The Bay Area Council and SVLG contend that no established allocation methodology exists for assigning these system-level costs to individual customers. However, the $600,000 per MW fee proposed here avoids these issues with tracking and complexity and does not assign specific system-level costs to individual customers. The fee works based on the capacity that is both requested by the customer and available for use, requiring the customer to pay the $600,000 fee the year before this requested capacity is available for use. The $600,000 per MW fee would work similarly for any customer, and thus would not be a bespoke payback mechanism. Regarding the structure of any advance, Cal Advocates endorsed a defined, quantifiable amount frames as either a capacity-share percentage or a per-MW fee.[24]

Both Menlo Equities and Orchard Partners also request that any assigned Type 4 costs remain refundable under the same unified, revenue-tied methodology applied to local costs (e.g., a 15-year payback capped at 75 or 100 percent of net revenues).[25] We follow the recommendations from Menlo Equities and Orchard Partners here, and treat the original and additional capital advance amounts as one total advance, which should be refunded under the same methodology, in this case a 15-year payback capped at 100 percent of net revenues.

Orchard Partners further urges the Commission to distinguish advanced manufacturing loads from data centers to preserve predictable refund timelines for industrial customers. This comment is beyond the scope of this Advice Letter and Resolution, which specifically relates to Google's 250 MW energization request for a data center project.

[23] Menlo Equities Comments at p. 3; Orchard Partners Comments at II.3.
[24] Cal Advocates Comments at p. 5.
[25] Menlo Equities Comments at p. 4, Orchard Partners Comments at II.3.

Several parties, including PG&E, SCE, and SVLG, requested that broad policy questions on transmission cost allocation and rate design be resolved through comprehensive, stakeholder-driven proceedings—such as Rule 30 or Advanced Electric Rate Design — rather than through project-specific determinations. SCE suggested that ratepayer protections are better achieved through retail rate structures—including long-term contracts, minimum billing, and credit support—where the Commission has clear jurisdiction. We do not make any decisions on broad policy questions here. Instead, we respond to an exceptional case filing. The decision here does not prejudice the outcome in the Rule 30 or Advanced Electric Rate Design Proceedings in any way.

Last, we address some arguments from the Comments that do not relate to the additional capital advance.

First, in relation to refunds for Applicant Build work: PG&E stated that it does not object to the Resolution's procedures regarding the binding cost estimate and oversight costs.[26] Cal Advocates, however, recommends capping refundable applicant-build costs at the lower of PG&E's or Google's cost estimate. We agree with PG&E that the Resolution's procedures are adequate here, and do not need further modification. We also clarify, at the request of Cal Advocates, that PG&E may use a single standard contingency in establishing the binding cost estimate, but refunds would remain limited to actual costs incurred.

Second, in relation to the BARC process: Cal Advocates argues that total refunds over the 15-year eligibility period should be limited to the BARC Formula amount, as was the case in previous exceptional cases. We agree with Cal Advocates, and clarify here that the total refund received by a customer should still be limited by the BARC Formula amount in any given year, regardless of the annual net revenue for that year.

Third, in relation to the Tier 1 Advice Letter seeking approval for the modified agreement between PG&E and Google: Cal Advocates request that the Commission specify that the modified agreement incorporates all modifications adopted in the final Resolution. We agree with Cal Advocates that the modifications ordered here should be incorporated by PG&E into the agreement with Google, but we do not think additional direction is needed in the Ordering Paragraphs.

[26] PG&E Comments at p. 11.

FINDINGS AND CONCLUSIONS

1. PG&E filed Advice Letter (AL) 7785-E on December 18, 2025, requesting Commission approval of an agreement with Google LLC (Google) to energize a new 250 megawatt (MW) transmission-level retail electric load at 230 kilovolts (kV) in San Jose, California.
2. It is reasonable to approve AL 7785-E with modifications to provide additional ratepayer protections for transmission-level energization of a very large load.
3. The scale of required upgrades for large load customers seeking transmission-level energization is much larger than would be typical for a distribution-level customer, and these customers present novel risks of substantial stranded costs.
4. Like all customers, Google relies on the continued operation and maintenance of existing transmission infrastructure.
5. Under the proposed process for customer refunds, PG&E could refund Google for the costs of energization well before net revenues from Google actually cover those costs.
6. The new 250 MW load would connect directly to and depend on the new Newark-NRS 230 kV transmission line, expected to be operational in 2028, representing a significant portion of that new line's total capacity.
7. Determining an exact method to account for the broader transmission network costs via a Commission Resolution in response to an exceptional case filing is neither necessary nor reasonable. An approximate method of accounting for transmission network upgrade costs is appropriate here.
8. Both Google and PG&E are requesting quick and practical action in this case.
9. It is reasonable to require Google to pay an additional capital advance of $600,000 per MW of requested capacity, to be paid the year before that capacity is both requested and available.
10. The $600,000 per MW figure is appropriate to protect ratepayers from the general costs of transmission network upgrades associated with a transmission-level, large load customer seeking energization through an exceptional case filing.
11. It is reasonable to allow Google and PG&E the option to modify the additional capital advance requirement to correspond to the outcome of the Rule 30 Proceeding, and how transmission network upgrade costs are handled in that proceeding.

12. It is reasonable for PG&E to submit an agreement with an updated additional capital advance requirement through a Tier 2 Advice Letter that modifies or adds provisions related to larger transmission network upgrade costs in a manner that corresponds to the outcome of the Rule 30 proceeding, after that outcome is established via a Decision.
13. It is reasonable to require PG&E to modify the refund methodology in this exceptional case to limit annual refunds of refundable energization-related costs to the annual net revenues actually received from Google.
14. It is reasonable to allow standard adjustments associated with the Income Tax Component of Contribution (ITCC) in implementing refunds and to extend the refund eligibility period from 10 years to 15 years so that the customer may still receive a full refund over time while annual refunds are paced to net revenues actually received.
15. Given these modifications to the standard BARC process, it is also reasonable to disregard the customer-financed cost of ownership in this case.
16. The proposed binding cost cap framework for the costs associated with the work completed by Google (Applicant Work) can provide ratepayer protection, but requires clarifications and reporting to ensure that the cap applies effectively and transparently to refundable costs.
17. PG&E's proposed binding cost cap for Applicant Work includes only one standard contingency adjustment. In other words, under the proposed agreement the customer estimate used for the binding cost cap cannot exceed PG&E's internal estimate for the same scope of work plus this standard contingency amount.
18. It is reasonable to require that refundable Standard Facilities costs be calculated and presented separately from non-refundable Special Facilities costs so that non-refundable costs do not inflate or obscure the binding cost cap for refundable costs.
19. It is reasonable to require PG&E to submit an information-only Tier 1 Advice Letter when the binding cost estimate for refundable Standard Facilities is finalized, with attachments describing the binding cost cap, the scope and assumptions used, the application of the single standard contingency, and the separation of refundable Standard Facilities costs from non-refundable Special Facilities costs.
20. It is reasonable to clarify that the binding cost cap for refundable Standard Facilities must exclude any costs that overlap with the refundable costs associated with PG&E's own work in the agreement between PG&E and Google.

21. The findings and conclusions in this Resolution should in no way prejudice the ongoing deliberation in the Rule 30 proceeding, A.24-11-007.
22. Imel's request for public disclosure of confidential negotiated agreement terms and related technical and cost details is not a basis to deny AL 7785-E and is dismissed.
23. It is reasonable for PG&E to submit a modified agreement with the changes specified herein for approval through a Tier 1 Advice Letter.

THEREFORE IT IS ORDERED THAT:

1. The request of PG&E to approve the agreement for the Applicant Work and the work to be performed by PG&E (the Agreement), between itself and customer Google LLC (Google), as requested in Advice Letter 7785-E, is approved with the modifications set forth above and otherwise specified herein.
2. PG&E shall modify the agreement to require an additional refundable capital advance of $600,000 per MW of requested capacity, reflecting the costs of general transmission network upgrades. This additional advance should be paid by Google to PG&E the year before that capacity is both requested by Google and deemed available by PG&E.
3. Within one year after the Decision in A. 24-11-007, PG&E may file a Tier 2 Advice Letter in order to update the additional capital advance requirement in its agreement with Google, modifying provisions related to larger transmission network upgrade costs in a manner that corresponds to the outcome of the Rule 30 proceeding.
4. PG&E shall modify the refund process in the Agreement to limit annual refunds to Google to the annual net revenues PG&E collected from Google in that year, adjusting for the Income Tax Component of Contribution (ITCC). In this case, the term 'net revenues' refers to the transmission component of the customer's electric rates and the per meter customer charge. PG&E shall also extend the period when Google is eligible to receive a refund from 10 to 15 years.
5. PG&E shall ensure that the binding cost cap for the portion of work completed by Google (Applicant Work) applies to refundable Standard Facilities costs separately from non-refundable Special Facilities costs, and that the refundable binding cost estimate includes only one standard contingency adjustment.

6. PG&E shall ensure that the binding cost cap for refundable Applicant Work excludes any costs that overlap with the costs associated with PG&E's own work detailed in the Agreement.
7. Within 30 days after the binding cost cap for refundable Applicant Work is finalized, PG&E shall file an information-only Tier 1 Advice Letter that includes, as attachments, (a) the finalized binding cost cap for refundable Standard Facilities, (b) a description of the inputs, assumptions, and the application of a single contingency adjustment used to derive the binding cost cap, (c) a description of how refundable Standard Facilities and non-refundable Special Facilities were treated separately, and (d) a section confirming that the binding cost estimate for refundable Standard Facilities excludes costs overlapping with PG&E oversight and supplemental costs. Some or all of these attachments may be confidential.
8. PG&E may seek approval for the modified Agreement through a Tier 1 Advice Letter.

This Resolution is effective today.

The foregoing Resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on [DATE]; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added upon adoption of the Resolution

Dated _____, at San Marcos, California.