

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 7**  
**PLANNED USAGE OF FUNDS FROM VOLUMETRIC**  
**PERFORMANCE FEES**

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PLANNED USAGE OF FUNDS FROM VOLUMETRIC PERFORMANCE FEES

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1                                   **PACIFIC GAS AND ELECTRIC COMPANY**  
2   **CHAPTER 7**  
3                                   **PLANNED USAGE OF FUNDS FROM VOLUMETRIC**  
4   **PERFORMANCE FEES**

5   **A. Introduction**

6           The purpose of this chapter is to present Pacific Gas and Electric  
7   Company’s (PG&E) plan for 2027 Volumetric Performance Fees (VPF)  
8   expenditures covering the period of January 1, 2027 to December 31, 2027  
9   pursuant to Section 712.8(s)(1) of the Public Utilities Code (Pub. Util. Code) and  
10   Decision (D.) 23-12-036.

11           The Legislature established the VPFs in lieu of a rate-based return on  
12   investment for PG&E to operate Diablo Canyon Power Plant (DCPP) during  
13   extended operations. The revenues provide a unique opportunity to increase  
14   and accelerate work within the public purpose priorities identified in Senate  
15   Bill (SB) 846, as codified in Section 712.8(s)(1). In D.23-12-036, the California  
16   Public Utilities Commission (CPUC or Commission) directed PG&E to file an  
17   application identifying the planned uses of VPF revenues before making any  
18   expenditures.

19           PG&E’s 2027 VPF forecast is \$274.1 million, as shown in Chapter 5.  
20   PG&E’s approach balances the need for planning certainty to perform identified  
21   work, the need to reserve funds for emergent safety and risk-related activities,  
22   potential use of VPFs for DCPP operating costs, and uncertainty regarding final  
23   earned VPF amounts. To maintain flexibility should actual revenues fall short of  
24   the forecast, PG&E does not pre-commit 100 percent of funds to specific uses.  
25   This “waterfall” structure accelerates customer benefits while preserving  
26   contingency capacity to address operational and safety needs.

27   **B. Legislative and Regulatory Background**

28   **1. Senate Bill 846**

29           In lieu of a rate base return, Pub. Util. Code Section 712.8(f)(5)  
30   authorizes PG&E to recover VPFs, as follows:

31           In lieu of a rate based return on investment and in acknowledgment of  
32   the greater risk of outages in an older plant that the operator could be  
33   held liable for, the commission shall authorize the operator to recover in  
34   rates a volumetric payment equal to six dollars and fifty cents (\$6.50), in

1 2022 dollars, for each megawatt hour generated by the Diablo Canyon  
2 powerplant during the period of extended operations beyond the current  
3 expiration dates, to be borne by customers of all load serving entities,  
4 and an additional volumetric payment equal to six dollars and fifty cents  
5 (\$6.50), in 2022 dollars, to be borne by customers in the service territory  
6 of the operator. The amount of the operating risk payment shall be  
7 adjusted annually by the commission using commission approved  
8 escalation methodologies and adjustment factors.<sup>1</sup>

9 In Section 712.8(s)(1), the Legislature directed that the VPF revenues  
10 be used to accelerate or increase spending on critical public purposes  
11 priorities as follows:

- 12 a) Accelerating customer and generator interconnections;
- 13 b) Accelerating actions needed to bring renewable and zero carbon energy  
14 online and modernize the electrical grid;
- 15 c) Accelerating building decarbonization;
- 16 d) Workforce and customer safety;
- 17 e) Communications and education; and
- 18 f) Increasing resiliency and reducing operational and system risk.<sup>2</sup>

19 Section 712.8(s)(1) also required that the compensation “shall not be  
20 paid out to shareholders.”<sup>3</sup> And Section 712.8(s)(2) directs that PG&E “shall  
21 not earn a rate of return” on the VPFs, that no profit shall be realized by  
22 shareholders, that neither PG&E nor any of its affiliates or holding company  
23 may increase existing public earning per share (EPS) guidance as a result  
24 of the VPFs, and no double recovery in rates.

## 25 **2. Decision 23-12-036**

26 In D.23-12-036, the Commission directed a formal application process to  
27 review PG&E’s planned use of the compensation.<sup>4</sup> The Commission  
28 affirmed that Section 712.8(s)(1) provides PG&E with discretion on the use  
29 of the VPFs subject to statutory provisions.<sup>5</sup> However, the Commission  
30 directs that in the event that DCP’s actual recorded operating costs are

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1 Pub. Util. Code § 712.8(f)(5).

2 Pub. Util. Code § 712.8(s)(1)(A) – (F).

3 Pub. Util. Code § 712.8(s)(1).

4 D.23-12-036, p. 139, Ordering Paragraph (OP) 15.

5 D.23-12-036, p. 110.

1 more than fifteen percent above the approved forecast in the annual cost  
2 forecast Application filings, then PG&E must first use the VPF to offset the  
3 costs above 115 percent before they are used for another purpose.<sup>6</sup>

4 Consistent with the Commission’s direction of the pre-approval process,  
5 this chapter of testimony continues to focus on the planned usage of the  
6 2027 VPF funds, along with a description of how each satisfies the statutory  
7 public purpose priorities and results in no double recovery.<sup>7</sup>

8 For retrospective reporting, the decision directs PG&E to provide “a  
9 detailed report on how the fees were used solely for the purpose of covering  
10 DCPD extended operations costs or critical public priorities authorized” by  
11 the Commission.<sup>8</sup> In the retrospective reporting, the Commission also  
12 directs that PG&E include a declaration by its Chief Financial Officer (CFO)  
13 in its application the following:

- 14 • A declaration, under penalty of perjury, from PG&E’s CFO that:
  - 15 – None of the funds collected pursuant to Section 712.8(f)(5) were  
16 paid out to shareholders;
  - 17 – None of the funds collected pursuant to Section 712.8(f)(5) earned a  
18 rate of return for PG&E;
  - 19 – No profit was realized by PG&E’s shareholders through the  
20 expenditures of funds collected pursuant to Section 712.8(f)(5); and
  - 21 – Neither PG&E nor any of its affiliates or holding company increased  
22 public EPS guidance as a result of compensation provided under  
23 Section 712.8.

24 PG&E’s post-spend report for the for the 2025 VPFs covering the above  
25 and other requirements is appended to the application.

### 26 **3. Decision 24-12-033**

27 In D.24-12-033, the Commission approved the 2025 VPF spend plan  
28 and directed PG&E to file and serve the results of a third-party independent  
29 audit.<sup>9</sup> The audit must attest to each of the requirements set forth in

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6 D.23-12-036, pp. 110-111.

7 D.23-12-036, p. 112, fn. 294.

8 D.23-12-036, p. 113.

9 D.24-12-033, pp. 85-86, OP 6.

1 Section 712.8(s), whether PG&E received double-recovery for projects  
2 and/or expenditures detailed in its first year spending plan, and how  
3 volumetric performance fee expenditures are incremental to costs recorded  
4 in existing accounts authorized by Commission decisions.<sup>10</sup> The  
5 independent audit report for 2025 VPFs is submitted separately, and costs  
6 for the audit are addressed in Chapters 4 and 8.

7 **4. Decision 25-06-002**

8 In D.25-06-002, the Commission provided additional guidance related to  
9 prioritizing VPF funds and reporting. In developing and implementing the  
10 VPF spend plan, the Commission directs PG&E to “consider affordability as  
11 a guiding principle when developing and implementing” its VPF plan.<sup>11</sup>

12 The decision also adopted certain reporting requirements for the annual  
13 compensation report, as well as continued the requirement for PG&E to  
14 submit the independent audit report during the post-2024 period.<sup>12</sup>

15 **5. Decision 25-12-007**

16 In D.25-12-007, the Commission approved the 2026 VPF spending  
17 plan.<sup>13</sup> In the decision, the Commission encouraged PG&E to “provide  
18 more quantitative analysis and detail in future DCPD cost recovery  
19 applications making the case for how each VPF-funded program provides  
20 net benefit to ratepayers.”<sup>14</sup> As presented in this chapter, PG&E has made  
21 an effort, when feasible, to provide a quantitative analysis on how each  
22 program provides net benefits to ratepayers. For certain programs, however,  
23 quantification is not practicable because the programs are designed to  
24 advance legislatively identified Section 712.8(s)(1) public purpose priorities,  
25 such as workforce safety and operational and system risk reduction.

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**10** D.24-12-033, pp. 85-86, OP 6.

**11** D.26-05-002, p. 42, OP 2.

**12** D.25-06-002, p. 42, OP 3.

**13** D.25-12-007, p. 84, OP 3.

**14** D.15-12-007, p. 73.

1 **C. Reduction from 2027 GRC Forecast**

2 **1. Affordability Alignment**

3 The proposed decision in D.25-06-002, which directed PG&E to  
4 consider affordability as a guiding principle in its VPF plan, was issued  
5 shortly before PG&E submitted its 2027 General Rate Case (GRC)  
6 application. Consistent with that direction and as part of PG&E's  
7 affordability strategy, the 2027 GRC forecast assumes that \$205 million in  
8 annual expense will be funded by VPF revenues rather than being  
9 recovered through GRC rates. For purposes of quantifying affordability, this  
10 will lead to an estimated monthly bill savings of \$1.85, or approximately  
11 0.9 percent, for a typical non-CARE residential customer relative to current  
12 bills.

13 In furtherance of this affordability objective and consistent with  
14 Section 712.8(s)(1), during its annual planning cycle, PG&E evaluated the  
15 programs in the work-plan portfolio that deliver the statutory public-purpose  
16 benefits and are eligible for VPF funding. This evaluation encompassed  
17 relevant activities presented in the 2027 GRC.

18 Table 2-2 from the 2027 GRC application (Exhibit PG&E-2, Chapter 2) is  
19 replicated below and shows the top line reduction of \$205 million from the  
20 GRC forecast by GRC exhibit.

**FIGURE 7-1  
EXHIBIT PG&E-2  
PG&E 2027 GENERAL RATE CASE**

Line No.	VPF Program	Forecast			
		2027	2028	2029	2030
1	<u>Energy Supply (Exhibit PG&amp;E-5)</u>				
2	Power Generation Asset Management, Inspections and Maintenance	\$22.10	\$22.10	\$22.10	\$22.10
3	Power Generation Communications	0.20	0.20	0.20	0.20
4	Power Generation Workforce Safety Initiatives	0.40	0.40	0.40	0.40
5	Zero-Carbon Energy Activities, Renewable Energy Activities	1.30	1.30	1.30	1.30
6	<u>Electric Distribution (Exhibit PG&amp;E-4)</u>				
7	Electrification: BE Weatherization EIE portion in GRC	0.63	0.65	0.67	0.70
8	New Business	11.96	11.96	11.96	11.96
9	EVA – Service Inquiry	3.79	3.79	3.79	3.79
10	EVB – OK to Serve	8.17	8.17	8.17	8.17
11	Technology and System of Record	13.50	13.50	13.50	–
12	Overhead Inspections (BFB) Overhead Inspections	31.93	31.29	30.66	30.05
13	Wildfire Situational Awareness and Forecasting	36.27	36.81	37.64	–
14	Customer Battery Programs	30.00	29.14	29.16	28.66
15	Inspection, Prev and Corr Maintenance	57.66	58.03	57.67	–
16	Total	\$205.9	\$205.4	\$205.3	\$95.4

1           **2. VPF Programs Identified to Reduce GRC Revenue Requirement**

2                     As noted above, PG&E’s 2027 GRC reflects reductions to the GRC  
3 forecast for programs that PG&E plans to fund with 2027 VPF revenues.  
4                     Since the filing of the 2027 GRC, some minor adjustments have been made  
5 to the programs.

6                     The below table presents a walk of above-described Table 2-2 from the  
7 GRC to current VPF funding forecasts, broken out by specific program.

**TABLE 7-1  
COMPARISON TO GRC EXHIBIT PG&E-2 CH. 2 TABLE 2-2**

Line No.	VPF Program	2027 Forecast, GRC Table 2-2 (millions)	2027 VPF Spend Range (millions)	Variance Range Due to Updated VPF Spend Range (millions)
1	Power Generation (PG) (4 programs)	\$24.00	\$25.30 – \$44.20	\$(1.30) – (20.20)
2	Building Electrification (BE) Weatherization	\$0.63	\$0.00	\$0.63
3	New Business (MAT codes: EVA, EVB)	\$11.96	\$12.55	\$(0.59)
4	Technology and System of Record	\$13.50	\$0.00 – \$13.50	\$13.50 – \$0.00
5	Overhead (OH) Inspections (MAT code: BFB)	\$31.93	\$31.93	\$0.00
6	Wildfire Situational Awareness (various programs)	\$36.27	\$34.41	\$1.86
7	Customer Battery Programs	\$30.00	\$30.00	\$0.00
8	Inspection, Prev and Corr Maintenance	\$57.66	\$58.50	\$(0.84)
9	Total VPF Programs on GRC Table 2-2	\$205.95	\$192.69 – \$225.09	\$13.26 – \$(19.14)

1                    In addition to programs contained in Table 2-2, PG&E identifies other  
2                    programs contained in the 2027 GRC that may provide opportunities for  
3                    increased or accelerated work above the forecasted amounts from the GRC,  
4                    as well as programs not included in the GRC. A full listing of proposed VPF  
5                    programs is shown in the table below.

6                    **D. 2027 VPF Plan**

7                    Below is a summary table showing all proposed 2027 VPF programs,  
8                    followed by details on each program in the narrative section. Actual VPF  
9                    allocation will depend on circumstances at the time of their use, and the  
10                    outcome of the 2027 GRC decision regarding Table 2-2 programs.

**TABLE 7-2**  
**SUMMARY OF PLANNED USES FOR 2027 VOLUMETRIC PERFORMANCE FEES**

Line No.	Program No.	VPF Program	VPF 2027 Spend Amount (millions)	Section 712.8(s)(1) Public Purpose Priority *
1	1.1	PG: Asset Management, Inspections and Maintenance	\$22.10 – \$32.90	(F)
2	1.2	PG: Communications	\$0.20 – \$0.30	(E)
3	1.3	PG: Workforce Safety Initiatives	\$0.40 – \$1.00	(D)
4	1.4	PG: Net Zero Carbon Energy Activities	\$1.30 – \$8.00	(B)
5	1.5	PG: Renewable Energy Activities	\$1.30 – \$2.00	(B)
6	2.0	EVA/EVB New Business	\$12.559	(E) (F)
7	3.0	Technology and System of Record	\$0.00 – \$13.50	(D) (F)
8	4.0	Overhead Inspections (BFB)	\$31.93	(D) (F)
9	5.1	Wildfire Situational Awareness: Cameras	\$11.53	(D)
10	5.2	Wildfire Situational Awareness: Asset Health and Performance Center (AHPC)	\$5.70	(F)
11	5.3	Wildfire Situational Awareness: Meteorology (various programs)	\$17.18	(D)
12	6.0	Customer Battery Programs	\$30.00	(B) (D) (F)
13	7.0	Inspection, Preventative and Correction Maintenance	\$58.50	(D) (F)
14	8.0	Electric Generation Interconnections	\$2.00 – \$9.40	(B) (F)
15	9.1	Customer Electrification & Grid Modernization Technologies: Driving Stakeholder Readiness for Electrification	\$10.00 – \$12.00	(B) (C) (D) (E) (F)
16	9.2	Customer Electrification & Grid Modernization Technologies: Customer Intake and Management Platform	\$3.00 – \$3.25	(C) (E)
17	9.3	Customer Electrification & Grid Modernization Technologies: Optimizing Asset Utilization to Accelerate Interconnection & Modernize the Electrical Grid	\$10.00 – \$20.00	(A) (C) (F)
18	10.0	Enterprise Safe Access Program (ESAP)	\$2.00 – \$2.50	(D)
19	11.0	Lone Worker Safety	\$2.92	(D) (F)
20	12.0	Performance Playbook	\$4.00 – \$5.00	(A)
21	13.0	Workforce and Customer Safety and Education Enhancements	\$6.00 – \$12.00	(D)
22	14.1-14.7	Safety & Risk Contingency Programs: Field Services Dispatch (MWC DD) Electric Distribution Operating Activities (MWC BA) T&D Maintenance OH Poles (MWC GA) Routine Emergency (MWC BH) Inspections (MWC BF – outside of BFB) Field Metering (MWCs AR, DD, EY, HY and IU) DCPP Operating Costs	\$0.00 – \$50.00	Various
23		Total VPF Programs	\$232.61 – \$342.16	

1 All programs accelerate and increase spending in one or more of the six  
2 public purpose priorities identified in Section 712.8(s)(1) and comply with the  
3 directives in Section 712.8(s)(2), including ensuring no double recovery in rates and  
4 shareholder prohibitions.

5 **1. Power Generation (\$24 25.30 million - \$44.20 million)**

6 **a. Asset Management, Inspections and Maintenance**  
7 **(\$22.10 million – \$32.90 million)**

8 **1) Program Description**

9 In recent years, PG&E's generation and water conveyance  
10 assets have faced increasing operational demands due to the rapid  
11 integration of intermittent renewable resources, more frequent  
12 extreme heat events, and more severe winter storms. These  
13 conditions require assets to be operated in ways that differ from  
14 their original design and heighten the consequences of asset failure.

15 At the same time, multiple high-profile national dam failures,  
16 together with PG&E's pursuit and maintenance of International  
17 Standards Organization (ISO) 55001 Certification, underscored the  
18 need for a more systematic, risk-informed approach to managing  
19 aging generation and water conveyance infrastructure. The  
20 external, independent assessment within the ISO Certification  
21 process identified gaps in asset condition knowledge, risk  
22 evaluation, and mitigation plan, attesting to the need for enhanced  
23 Asset Management Systems (AMS).

24 The proposed 2027 VPF funding continues and accelerates this  
25 multi-year body of work. VPF proceeds will support critical risk  
26 reduction work along PG&E's water conveyance infrastructure  
27 (e.g., dams, spillways, canals) such as debris removal, dredging,  
28 and rodent abatement which directly impact the reliable and  
29 effective operation of critical operating equipment and system  
30 protections. In parallel, it enables the continued enhancements and  
31 execution of PG's ISO-certified AMS, including incorporating  
32 corrective actions from internal and external audits and  
33 assessments, cause evaluations for asset failures, and closure of

1 programmatic gaps. In addition, the AMS encourages the  
2 implementation of new, industry leading practices for proactively  
3 managing asset lifecycle, including the expansion of an integrated  
4 risk management program that better administers risk-informed  
5 decision making across the organization.

6 Together, these efforts strengthen PG&E’s enterprise-wide,  
7 risk-informed asset risk management approach by improving asset  
8 condition knowledge, increasing visibility to operational threats, and  
9 better defining consequences of failure to improve safety and  
10 reliability for PG&E and its customers.

11 In 2025, PG&E used VPF funds to initiate enhancements to its  
12 AMS for the hydroelectric generation asset fleet. In 2026, PG&E  
13 continues to implement and mature these enhancements to a  
14 “steady state” and expand the same enhancements to its Asset  
15 Management programs to non-hydro generating facilities.

16 In 2027, PG&E will continue accelerating identification of asset  
17 condition and risk across the entire system of water conveyances  
18 and power facilities. This includes re-baselining asset conditions  
19 through new and enhanced inspection practices, such as evaluating  
20 vegetation encroachment and rodent controls; deployment of new  
21 technology-supported reservoir, dam, conveyance, and penstock  
22 inspections; and the control of underground asset risks caused by  
23 third parties to the system.

24 PG&E will also advance in the integration of industry standard  
25 Computerized Maintenance Management System risk records with  
26 asset portfolio management to Propel software. This integration  
27 improves maintenance planning, scheduling, and project  
28 prioritization, as well as supports a risk informed cost-benefit  
29 decision-making framework across all programs and assets.

30 Supporting these efforts includes the identification of risk,  
31 assessment of criticality and programs supporting compliance  
32 maturity supporting and integrated with larger business efforts to  
33 develop improvements to technological integration (Propel). In  
34 addition, VPFs will continue the adoption of Instrumentation and

1 Control standards that enable reliability-centered maintenance  
2 practices, leveraging instrumentation technology and advances in  
3 machine learning to identify and predict asset failures before  
4 conditions develop into functional failures.

5 These activities will be completed under Major Work Categories  
6 (MWC) AB, AX, IG, KH, and KI. This work in 2027 is a continuation  
7 of work identified for the 2025 and 2026 VPF programs.

## 8 **2) Section 712.8(s)(1) Public Purpose Priority**

9 This program accelerates and increases spending on public  
10 purpose priority Section 712.8(s)(1) subsection (F), Increasing  
11 resiliency and reducing operational and system risk, by proactively  
12 addressing growing operational challenges created by extreme  
13 periods of heat and more frequent and severe rainfall from  
14 atmospheric rivers driven by climate change. This combined with  
15 the large amounts of intermittent renewables being added to the grid  
16 drives the need for increasing operations and maintenance (O&M)  
17 activities to support public safety and operational reliability.

## 18 **3) Affordability**

19 While this program is presented in the 2027 GRC, PG&E is not  
20 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
21 recovery through the 2027 VPFs in this application. Accordingly, the  
22 program supports affordability because PG&E's GRC request has  
23 been reduced by the cost of the program. See "Affordability  
24 Alignment" in Section C above.

25 Additionally, this program aligns with the guiding principle of  
26 affordability by proactively identifying and addressing infrastructure  
27 vulnerabilities before they escalate into system failures or  
28 emergency repairs, helping to reduce the upward pressure on rates.  
29 To expand, conducting more frequent and enhanced inspections  
30 can result in early identification and resolution of issues, avoiding  
31 costly failures or emergency repairs. Expanding preventive  
32 maintenance, for example in vegetation management, rodent  
33 abatement, dredging and reservoir debris management, and

1 development of more comprehensive O&M standards and  
2 procedures, can reduce operational risks or vulnerabilities before  
3 they lead to significant issues. Lastly, improving PG&E's  
4 risk-informed decision-making will better allow PG&E to target risk  
5 reduction in the areas most in need, which will potentially lead to a  
6 safer, more reliable and affordable system for customers. Investing  
7 in PG asset management, inspection, and maintenance activities  
8 will help reduce the upward pressure on rates. It is worth  
9 emphasizing, however, that the primary purpose of the program is to  
10 reduce system risk, promote grid reliability, and modernize the  
11 electrical grid in support of the Section 712.8(s)(1) public purpose  
12 priorities.

13 The proposed VPF funded activities will accelerate the reduction  
14 of operational, safety, and system risk by enhancing PG&E's ability  
15 to identify and manage emerging deficiencies across its hydro  
16 generation assets. The accelerated implementation of new  
17 inspection technologies for dams, powerhouses, and water  
18 conveyance facilities reduces the likelihood of failure by increasing  
19 the probability that defects and degradation mechanisms are  
20 identified before progressing to functional failure. These pilot  
21 programs, along with eventual expansion of inspection coverage,  
22 will reduce the number of assets operating with incomplete and  
23 outdated condition information. Because these inspection programs  
24 are considered foundational under CPUC guidance (do not by  
25 themselves reduce risks, but support follow-up controls and risk  
26 mitigation activities), PG&E did not calculate benefit cost ratios for  
27 these program elements.

28 In parallel, the development of more reliable and defensible data  
29 inputs, such as flood hazard characterization and life safety  
30 consequence information, improves the confidence and usefulness  
31 of PG&E's risk models as decision-making tools. These  
32 improvements will reduce uncertainty in modeled risk results.

33 Proactive maintenance activities, including the removal of dead  
34 or dying trees adjacent to hydro assets and along reservoir

1 shorelines, will reduce the likelihood of falling trees damaging PG&E  
2 assets and lower the potential for wildfire impacts. Removal of dead  
3 trees from reservoir shorelines will also reduce the risk of debris  
4 clogging spillways. Empirical laboratory studies conducted by the  
5 U.S. Bureau of Reclamation indicate that debris can block and  
6 reduce capacity of spillways by up to 50 percent, which could result  
7 in dam overtopping during smaller, more frequent storm events.

#### 8 **4) No Double Recovery in Rates**

9 While this program is presented in the 2027 GRC, PG&E is not  
10 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
11 recovery through the 2027 VPFs in this application. Accordingly,  
12 PG&E's GRC request has been reduced by the cost of this program.  
13 The lower end of the program range was not included in the 2027  
14 GRC forecast of energy supply expense for these activities. PG&E  
15 will only apply VPFs above the amount excluded from the GRC  
16 forecast on new activities not included in the GRC forecast at all.

#### 17 **b. Communications (\$0.20 million – \$0.30 million)**

##### 18 **1) Program Description**

19 The PG Communications program expands PG&E's public  
20 outreach beyond its existing K-8 hydro safety brochures to deliver  
21 broader communications related to safety, renewable generation,  
22 and PG&E's operations. The program develops new engagement  
23 tools to reach communities located near PG&E's generation assets  
24 and improve public awareness of safety practices, emergency  
25 preparedness, infrastructure investments, and safety investments.

26 In 2027, the program activities will further expand upon work  
27 initiated in 2026 using VPF funding to include employee safety and  
28 internal awareness, in addition to public safety and public  
29 awareness. This expansion reflects the need to reinforce  
30 consistent, integrated safety messaging and awareness of  
31 recreation, community and environmental benefits, in addition to  
32 PG&E's commitment to safety operations across both external  
33 audiences and the workforce, particularly for employees and

1 contractors whose work activities, decisions, or situational  
2 awareness are directly connected to PG operations and  
3 infrastructure.

4 As part of this broader scope, communications will extend  
5 beyond traditional public outreach to include employee-focused  
6 content, tools, and engagement forums that support hazard  
7 awareness, emergency preparedness, and understanding of  
8 safety-related infrastructure investments at dams, reservoirs,  
9 waterways, and other generation facilities. By strengthening  
10 alignment between public-facing and internal communications, the  
11 program enhances shared understanding of risks, reinforces safe  
12 behaviors, and supports a culture of safety that spans both  
13 community and workforce audiences, while continuing to advance  
14 transparency and awareness of PG&E's commitment to safe  
15 operations.

16 Scope expansions continuing from 2026 include but are not  
17 limited to the following types of activities that create new content,  
18 forums, education and engagement:

- 19 • Expanding the PG Grassroots TV program; and
- 20 • Continued growth in public and employee safety  
21 communications.

22 These activities will be completed under MWC KG.

## 23 **2) Section 712.8(s)(1) Public Purpose Priority**

24 The proposed scope expansion is supportive of  
25 Section 712.8(s)(1) subsection (E), Communications and education,  
26 by developing tools and engaging with local communities.

## 27 **3) Affordability**

28 While this program is presented in the 2027 GRC, PG&E is not  
29 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
30 recovery through the 2027 VPFs in this application. Accordingly, the  
31 program supports affordability because PG&E's GRC request has  
32 been reduced by the cost of the program. See "Affordability  
33 Alignment" in Section C above.

1                    Additionally, this program aligns with the guiding principle of  
2                    affordability by promoting education on safe behavior around hydro  
3                    and renewable generation assets and providing communication  
4                    toolsets that can be leveraged by emergency response and local  
5                    government stakeholders, both of which can reduce the chances of  
6                    unsafe behavior or damage to generation assets that could require  
7                    costly repair.

8                    PG&E’s PG Communications program provides net benefits to  
9                    ratepayers by delivering measurable safety and operational  
10                   awareness outcomes at a modest cost. For an annual investment of  
11                   \$0.20 to \$0.30 million, the program reaches thousands of  
12                   community members and stakeholders located near PG&E’s PG  
13                   assets, improving safety knowledge, preparedness, and  
14                   coordination. These outcomes reduce the likelihood and severity of  
15                   public safety incidents, emergency response activations, and  
16                   operational disruptions — each of which carries costs that can drive  
17                   upward pressure on customer rates.

18                   **4) No Double Recovery in Rates**

19                   While this program is presented in the 2027 GRC, PG&E is not  
20                   seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
21                   recovery through the 2027 VPFs in this application. Accordingly,  
22                   PG&E’s GRC request has been reduced by the cost of this program.  
23                   The lower end of the program range was not included in the 2027  
24                   GRC forecast of energy supply expense for these activities. PG&E  
25                   will only apply VPFs above the amount excluded from the GRC  
26                   forecast on new activities not included in the GRC forecast at all.

27                   **c. Workforce Safety Initiatives (\$0.40 million – \$1 million)**

28                   **1) Program Description**

29                   This program builds and continues implementation of Incident  
30                   Management Teams (IMT), responding to employee-led workforce  
31                   safety improvements, continuing PG&E’s progress with Safety  
32                   Culture, and enhancing workforce safety procedures to mature the  
33                   Safety Management System.

1 PG&E plans to continue and build upon the work funded by  
2 2026 VPFs by further strengthening its workforce safety, safety  
3 culture and emergency response capabilities. In 2026, PG  
4 advanced key elements of its safety culture strategy by delivering  
5 Safety Culture training to Crew Leads, training key safety culture  
6 influencers on foundational culture tools, and initiating Crucial  
7 Conversations training for coworkers. These activities were  
8 identified as priority actions by PG's Grassroots Safety and Culture  
9 Transition Team committees and represent an important step in  
10 strengthening consistent safety behaviors and communication  
11 across the organization. In 2027, PG will advance the  
12 implementation of IMTs to improve response to asset-related  
13 emergencies affecting public and workforce safety. These teams  
14 will operate consistent with Standardized Emergency Management  
15 System (SEMS) and Incident Command System (ICS), which PG  
16 has at a local level and PG&E has at an Enterprise level but did not  
17 previously exist at a functional area level. IMTs will be staffed by  
18 existing PG personnel and may deploy anywhere within PG&E's  
19 service territory as needed. While VPF revenues are not proposed  
20 for labor costs, funding will support incremental implementation  
21 expenses, including training, safety materials, travel, and dedicated  
22 vehicles, to build, test, and validate this capability beyond the initial  
23 operating capacity established in early 2025.

24 In parallel, PG&E will continue advancing workforce safety  
25 culture initiatives identified by the employee led Grassroots Safety  
26 Team and Safety Culture Transition Team. These efforts focus on  
27 strengthening frontline leadership capability, recognizing the critical  
28 role that supervisors and crew leads play in shaping daily safety  
29 behaviors and sustaining the success of employee-led safety efforts.  
30 PG&E has begun implementing recurring safety culture training and  
31 practical culture tool training and will expand this training to  
32 additional coworkers. This program will also apply culture tools  
33 through targeted, culture-driven projects that enhance existing  
34 safety processes and, where appropriate, establish new processes

1 focused on coworker safety. Together with the continued progress  
2 across the 13 elements of PG&E's Safety Excellence Management  
3 System (PSEMS), these efforts support continuous improvement in  
4 workforce safety and reinforce PG&E's commitment that everyone  
5 and everything is always safe.

6 The proposed expense across these efforts described in this  
7 subsection will be completed in MWCs AB and KG.

## 8 **2) Section 712.8(s)(1) Public Purpose Priority**

9 The program supports Section 712.8(s)(1) subsection (D),  
10 Workforce and customer safety, by improving safety for employees  
11 working alone or in remote field conditions through enhanced  
12 emergency response capabilities, communications, and safety  
13 support tools.

## 14 **3) Affordability**

15 While this program is presented in the 2027 GRC, PG&E is not  
16 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
17 recovery through the 2027 VPFs in this application. Accordingly, the  
18 program supports affordability because PG&E's GRC request has  
19 been reduced by the cost of the program. See "Affordability  
20 Alignment" in Section C above.

21 Additionally, this program supports affordability as a guiding  
22 principle by accelerating improvements in employee safety systems,  
23 safety culture, and emergency response capabilities. Reducing  
24 injuries, improving preparedness, and strengthening coordinated  
25 response efforts can help mitigate the upward pressure on rates by  
26 avoiding costly incidents, work disruptions, and emergency  
27 escalations.

28 By enhancing communication, situational awareness, and  
29 structured emergency response through the use of IMTs that  
30 support PG assets and operating areas, PG&E can reduce the  
31 impact of asset-related emergencies on both the public and the  
32 workforce, including associated financial impacts. In addition,  
33 implementing recurring safety culture training and training in

1 foundational safety tools supports more consistent execution of  
2 safety initiatives, reinforces safe behaviors, and contributes to  
3 long-term operational efficiency and cost control.

4 The proposed workforce safety initiatives provide a net benefit  
5 to ratepayers by reducing the likelihood and severity of workforce  
6 injuries, improving the effectiveness of existing safety programs, and  
7 preventing escalation of unsafe conditions into higher-cost incidents.  
8 Even modest improvements in front-line leadership capability can  
9 avoid costs associated with injuries, rework, work delays, and  
10 emergency response. Because this program leverages existing  
11 safety systems and focuses on improving how work is executed  
12 rather than adding duplicative infrastructure, the expected cost  
13 avoidance and operational efficiency gains outweigh the incremental  
14 program costs.

#### 15 **4) No Double Recovery in Rates**

16 While this program is presented in the 2027 GRC, PG&E is not  
17 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
18 recovery through the 2027 VPFs in this application. Accordingly,  
19 PG&E’s GRC request has been reduced by the cost of this program.  
20 The lower end of the program range was not included in the 2027  
21 GRC forecast of energy supply expense for these activities. PG&E  
22 will only apply VPFs above the amount excluded from the GRC  
23 forecast on new activities not included in the GRC forecast at all.

#### 24 **d. Net Zero Carbon Energy Activities (\$1.30 million– \$8.00 million)**

##### 25 **1) Program Description**

26 The Net Zero Carbon Energy Activities program advances  
27 technical analyses for technologies aimed at reducing carbon  
28 dioxide emissions from PG&E-owned natural gas fired generation  
29 facilities, including Gateway, Colusa, and Humboldt.<sup>15</sup>

30 The proposed work for 2027 will build on the work performed in  
31 this program in 2026. In D.25-12-007, PG&E received approval of

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15 Program is renamed in 2027 from “Zero Carbon Energy Activities” to “Net Zero Carbon Energy Activities.”

1 \$1.05 million for use in 2026 to “accelerate analyses and/or future  
2 development and deployment of carbon capture technology for  
3 Greenhouse Gas emission reduction association with PG&E’s  
4 natural gas fired generation facilities.”<sup>16</sup> That work is currently  
5 underway.

6 For 2027, PG&E will utilize the 2026 study results to either  
7 proceed with Front End Engineering and Design (FEED) study on a  
8 net zero carbon technology at its existing gas plants focusing on  
9 CCS (Carbon Capture and Storage), or an alternative feasible  
10 net-zero technology. The work performed in 2027 will include higher  
11 accuracy engineering analysis and cost analysis (Class 4 or  
12 Class 3), detailed project scope, and project schedules.

13 **2) Section 712.8(s)(1) Public Purpose Priority**

14 This program satisfies Section 712.8(s)(1) subsection (B),  
15 Accelerating actions needed to bring renewable and zero carbon  
16 energy online and modernize the electrical grid, by advancing  
17 carbon capture and/or carbon reducing activities and capabilities at  
18 existing gas fired plants. Gateway and Colusa together represent  
19 over 1.2 gigawatt of dispatchable capacity and remain critical for  
20 grid reliability.

21 **3) Affordability**

22 While this program is presented in the 2027 GRC, PG&E is not  
23 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
24 recovery through the 2027 VPFs in this application. Accordingly, the  
25 program supports affordability because PG&E’s GRC request has  
26 been reduced by the cost of the program. See "Affordability  
27 Alignment" in Section C above.

28 Additionally, this program supports affordability as a guiding  
29 principle by enabling PG&E to understand what are the most cost  
30 effective decarbonization strategies that can be advanced at existing  
31 gas fired generation facilities. Costs of CCS and its alternatives  
32 must be understood by 2030 in order to make the most prudent

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<sup>16</sup> A.25-03-015 p. 7-17.

1 long-term planning and investment decisions for reliable, resilient,  
2 dispatchable power delivery to PG&E’s customers and support  
3 system reliability needs at the lowest cost possible.

4 The process of adapting a natural gas power plant to be net  
5 zero can take ten years or more. This time is necessary for  
6 activities which include the technical aspects of CCS plant  
7 engineering and design, requesting and receiving project regulatory  
8 approval, permitting, construction and commissioning, as well as  
9 creating timely alignment with the development of downstream  
10 carbon dioxide pipeline and geologic sequestration infrastructure.  
11 Investing in studies and cost estimates in 2026 and 2027 lays the  
12 groundwork for strategic decision making on future investments.  
13 The FEED development costs for a power plant are typically up to  
14 3 percent of project cost and the requested amount is aligned with  
15 industry standards.

16 The timing of the studies also supports affordability, as the  
17 federal carbon capture tax credit (45Q)<sup>17</sup> is only available to carbon  
18 capture projects that begin construction by the end of 2032. With a  
19 credit of \$85/ton of carbon captured, the credit is a foundational  
20 policy mechanism to support clean, reliable, affordable energy.  
21 Should PG&E seek to invest in CCS it will make every effort to  
22 leverage federal tax credits like 45Q as well as public funding to  
23 help lower costs.

24 By performing a robust technical evaluation of carbon capture  
25 technologies, PG&E seeks to more fully understand available  
26 technologies and the potential costs, risks, and operational impacts  
27 associated with their implementation, thereby avoiding unintended  
28 consequences and risky investments that could otherwise increase  
29 costs for customers or lead to grid reliability issues.

30 The proposed VPF funded activities will advance PG&E’s  
31 understanding of the cost-competitiveness of carbon capture and its

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<sup>17</sup> The Section 45Q Tax Credit for Carbon Sequestration (2026); hyperlink at:  
<https://www.congress.gov/crs-product/IF11455>.

1 potential role as a decarbonization strategy in the electric sector.  
2 The California Air Resource Board’s (CARB) 2022 Scoping Plan  
3 assumes that carbon capture will reduce electric sector emissions  
4 by 17 million metric tons (MMT) in 2045,<sup>18</sup> and this program is a  
5 material first step to achieving that vision for the State.

6 **4) No Double Recovery in Rates**

7 While this program is presented in the 2027 GRC, PG&E is not  
8 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
9 recovery through the 2027 VPFs in this application. Accordingly,  
10 PG&E’s GRC request has been reduced by the cost of this program.  
11 This program was combined with Renewable Energy Activities  
12 (subsection e below) in the GRC at a combined forecast of  
13 \$1.30 million. PG&E will only apply VPFs above the amount  
14 excluded from the GRC forecast on new activities not included in the  
15 GRC forecast at all.

16 **e. Renewable Energy Activities (\$1.30 million – \$2 million)**

17 **1) Program Description**

18 This program accelerates early-stage development activities for  
19 large, utility-scale Battery Energy Storage System (BESS) projects  
20 and other clean firm renewable generation projects that enable the  
21 integration of increasing amounts of renewable energy to the electric  
22 grid. Such facilities will be responsive to CPUC procurement orders  
23 and specifically proposed projects subject to review and approval by  
24 the Commission within separate applications.

25 In 2026, PG&E is utilizing VPF dollars to perform early-stage  
26 development activities to establish a pipeline of potential BESS and  
27 clean firm renewable generation projects needed to support  
28 continued growth of intermittent renewable energy on the grid and  
29 the integration needs fulfilled by additional large scale energy

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<sup>18</sup> See p. 201 of the CARB 2022 Scoping Plan: “CCS is applied in limited sectors, including on 16.7 MMT of CO2 from existing fossil gas electricity generation in 2045, to ensure the state achieves the 85 percent reduction in anthropogenic emissions required by AB 1279.” Hyperlink at: [https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp\\_1.pdf](https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf).

1 storage and clean firm renewable generation. This work will enable  
2 PG&E to participate in the California Independent System Operator  
3 Cluster 16 interconnection study process later in the year and will  
4 establish the foundation of information necessary to develop more  
5 detailed project plans in 2027.

6 In 2027, PG&E will expedite cross functional analysis of  
7 developing PG&E owned substations and other properties in the  
8 vicinity of load growth or other system needs that have the potential  
9 to house BESS facilities. For all new BESS and clean firm  
10 renewable generation, PG&E plans to more fully evaluate the sites  
11 for project physical suitability and energy deliverability, to complete  
12 the necessary work to ready the sites for interconnection, and to  
13 complete preliminary engineering design, with a goal to establish a  
14 pipeline of projects that could be ready to deploy when and where  
15 needed, rather than inefficiently reacting and responding to energy  
16 procurement solicitations. This will also give PG&E the opportunity  
17 to expedite potential BESS and clean firm projects in support of  
18 enhanced generation operations, in support of bulk electric system  
19 reliability, and in support of local behind-the-meter (BTM) load  
20 management projects. Completion of this work enables the rapid  
21 future development of lower cost BESS projects through optimizing  
22 use of existing utility property adjacent to points of interconnection.  
23 Not only does this work support the integration of renewable energy  
24 resources such as wind and solar, the installation of new BESS and  
25 clean firm renewable generation projects may also enable PG&E to  
26 effectively bridge and/or defer the need to construct new electric  
27 distribution and/or transmission facilities, and enable improvements  
28 in reliable operation of the grid through fast frequency response,  
29 peak shaving and load leveling, grid resiliency and restoration,  
30 backup power, and reduced grid congestion, all resulting in  
31 affordability and reliability benefits for electric customers.

32 The proposed work is an advancement of work PG&E is  
33 considering in future years and will be completed in MWC AB.

1                   **2) Section 712.8(s)(1) Public Purpose Priority**

2                   This program satisfies Section 712.8(s)(1) subsection (B),  
3                   Accelerating actions needed to bring renewable and zero carbon  
4                   energy online and modernize the electrical grid, by accelerating  
5                   early-stage development opportunities for large, utility-scale BESS  
6                   projects and other clean firm renewable generation projects that  
7                   enable the integration of increasing amounts of renewable energy to  
8                   the electric grid.

9                   **3) Affordability**

10                  While this program is presented in the 2027 GRC, PG&E is not  
11                  seeking cost recovery through the GRC. Instead, PG&E seeks cost  
12                  recovery through the 2027 VPFs in this application. Accordingly, the  
13                  program supports affordability because PG&E's GRC request has  
14                  been reduced by the cost of the program. See "Affordability  
15                  Alignment" in Section C above.

16                  Additionally, this program aligns with the guiding principle of  
17                  affordability by expediting the process to evaluate the suitability of  
18                  existing PG&E owned sites for future BESS development and clean  
19                  firm sites, which will enable the installation of least cost, highest  
20                  benefit solutions when and where they are needed. The BESS  
21                  pipeline development funded by the 2026 VPFs provides PG&E the  
22                  opportunity to fully understand and prioritize sites for future  
23                  development that can take advantage of existing utility property and  
24                  infrastructure, thereby minimizing development costs and expediting  
25                  the process to respond to energy procurement solicitations. Since  
26                  this evaluation will consider capacity and system operational values  
27                  associated with the installation of BESS at specific sites, this  
28                  program will also result in a better understanding of PG&E's ability  
29                  to bridge and/or defer the need to construct new electric distribution  
30                  and/or transmission facilities, helping to reduce the upward pressure  
31                  on rates.

1                   **4) No Double Recovery in Rates**

2                   While this program is presented in the 2027 GRC, PG&E is not  
3                   seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
4                   recovery through the 2027 VPFs in this application. Accordingly,  
5                   PG&E’s GRC request has been reduced by the cost of this program.

6                   This program was combined with Net Zero Carbon Energy Activities  
7                   (subsection d above) in the GRC at a combined forecast of  
8                   \$1.30 million. PG&E will only apply VPFs above the amount  
9                   excluded from the GRC forecast on new activities not included in the  
10                  GRC forecast at all.

11                  **2. EVA/EVB New Business (\$12.55 million)**

12                  **a. Program Description**

13                  The program *EVA - Service Inquiries* tracks expenses for the call  
14                  center minutes for calls related to New Business & Work at the Request  
15                  of Others by other service inquiries and applications. Customers may  
16                  call into a call center to discuss their application and get updates on the  
17                  current stage of their project.

18                  The program *EVB – Ok to Serve* tracks expenses for reviewing  
19                  customer inquiries with respect to existing services. PG&E analyzes  
20                  facilities that may be affected by proposed load increases or customer  
21                  facility changes to prevent overloading, which can affect PG&E’s ability  
22                  to provide safe and reliable service to the customer and others in the  
23                  vicinity of the change. Load checks can also find preexisting overload  
24                  conditions, which are then corrected to prevent issues arising from  
25                  further load additions or facility changes. This load analysis work is  
26                  charged to MAT EVB – OK to Serve whether further construction work is  
27                  needed. If construction work is required, the construction work is  
28                  charged to the appropriate capital or expense work category. In 2027,  
29                  the activities charged to EVA and EVB will remain the same and  
30                  continue to support PG&E’s customer service by managing service  
31                  inquiries related to New Business and Work at the Request of Others,  
32                  providing call center assistance to customers seeking guidance or

1 updates on their applications, and performing the technical reviews  
2 necessary to assess proposed load.

3 **b. Section 712.8(s)(1) Public Purpose Priority**

4 EVA supports Section 712.8(s)(1) subsection (E), Communications  
5 and education, as the service inquiry application process improves  
6 customer experience by streamlining early-stage customer requests for  
7 new or upgraded electric and gas service.

8 EVB supports Section 712.8(s)(1) subsection (F), Increasing  
9 resiliency and reducing operational and system risk, with the added load  
10 safety review process and checks whether existing grid equipment can  
11 safely support new loads. This prevents equipment overloads and  
12 avoids emergency repairs. By identifying constraints early, this process  
13 supports and electrification investments and strengthening reliability.

14 **c. Affordability**

15 While this program is presented in the 2027 GRC, PG&E is not  
16 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
17 recovery through the 2027 VPFs in this application. Accordingly, the  
18 program supports affordability because PG&E's GRC request has been  
19 reduced by the cost of the program. See "Affordability Alignment" in  
20 Section C above.

21 Additionally, EVA and EVB promote affordability by reducing  
22 operating and capital costs by preventing system overloads. The call  
23 center resolves customer service inquiries early in the process, reducing  
24 rework and minimizing unnecessary engineering and field operations.  
25 The load reviews prevent transformer and line overloads, avoiding  
26 unplanned asset failures and emergency replacements. These  
27 efficiencies help drive O&M savings and decrease upward pressure on  
28 rates.

29 While PG&E is unable to specifically quantify the net benefit to  
30 ratepayers, when a customer passes EVB load calculations and is able  
31 to connect load, this enables increased power usage without requiring a  
32 PG&E capital project.

1           **d. No Double Recovery in Rates**

2           While this program is presented in the 2027 GRC, PG&E is not  
3           seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
4           recovery through the 2027 VPFs in this application. Accordingly,  
5           PG&E’s GRC request has been reduced by the cost of this program.

6           **3. Technology & System of Record (\$0 – \$13.50 million)**

7           **a. Program Description**

8           The deployment of advanced digital technologies, including data  
9           visualization and process automation, will substantially optimize  
10          workflows that are currently manual and susceptible to inefficiency and  
11          inaccuracies. Core activities such as data entry, record tracking, and  
12          information retrieval will be performed with increased speed and  
13          accuracy, thereby enabling personnel to focus on strategic,  
14          value-adding responsibilities. This modernization will minimize  
15          operational redundancies, expedite response times, and foster  
16          seamless interdepartmental collaboration to ensure PG&E is able to  
17          accelerate delivery in several key areas to both customer and grid  
18          objectives.

19          In 2027, PG&E will focus on efforts to update asset information and  
20          sources of truth within its service territory. This program includes  
21          map-based work execution, monitoring, and validation system enabling  
22          PG&E to maintain records and perform work. The data strategy and  
23          architecture effort will define needed capabilities and implement a data  
24          platform better aligned to support both operations and data analytics.  
25          The improvements in systems of record will significantly reduce data  
26          errors by incorporating Master Data Management and robust system  
27          controls.

28          By ensuring information is accurate and protected from  
29          unauthorized changes and has a defined flow, these system  
30          improvements will boost the reliability of records, resulting in faster and  
31          more precise service delivery. The ability to audit and track system  
32          updates in real time will improve system-wide work efficiencies,  
33          minimize mistakes, decrease risk, and help meet regulatory standards.

1           **b. Section 712.8(s)(1) Public Purpose Priority**

2           This program supports Section 712.8(s)(1) subsection (D),  
3           Workforce and customer safety, by improving risk identification and  
4           prioritization through improved cataloging, mapping, and recording  
5           up-to-date asset information (e.g., poles), which reduces unsafe field  
6           conditions.

7           The program also supports Section 712.8(s)(1) subsection (F),  
8           Increasing resiliency and reducing operational and system risk, by  
9           strengthening PG&E’s ability to respond to operational risks that  
10          threaten system reliability and grid resilience through improved data.

11          **c. Affordability**

12          While this program is presented in the 2027 GRC, PG&E is not  
13          seeking cost recovery through the GRC. Instead, PG&E seeks cost  
14          recovery through the 2027 VPFs in this Application. Accordingly, the  
15          program supports affordability because PG&E’s GRC request has been  
16          reduced by the cost of the program. See "Affordability Alignment" in  
17          Section C above.

18          Additionally, the Technology & System of Record investments  
19          promote affordability by reducing costly rework, redundant mobilizations,  
20          and operational inefficiencies through improved data accuracy and  
21          reliability. These capabilities lower O&M cost drivers, reduce upward  
22          pressure on rates, and provide quantifiable net benefits to customers  
23          through decreased field time, fewer errors, and modernized data  
24          systems that streamline planning and execution.

25          PG&E will see a net decrease in customer incidents, and an  
26          improvement in customer contact and customer relationships based on  
27          improved data quality.

28          **d. No Double Recovery in Rates**

29          While this program is presented in the 2027 GRC, PG&E is not  
30          seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
31          recovery through the 2027 VPFs in this application. Accordingly,  
32          PG&E’s GRC request has been reduced by the cost of this program.

1       **4. Overhead Inspections (\$31.93 million)**

2       **a. Program Description**

3               PG&E performs detailed inspections of distribution overhead assets  
4               in accordance with the Electric Distribution Preventive Maintenance  
5               Manual and CPUC GO 165. PG&E's Overhead Inspection Program  
6               (MAT code: BFB) identifies abnormal compelling conditions and other  
7               conditions that must be addressed for regulatory compliance reasons,  
8               as well as third-party caused conditions that negatively impact safety or  
9               reliability.

10              GO 165 mandates detailed overhead inspections to be executed on  
11              a five-year schedule, and PG&E's goal is to inspect 22 percent to  
12              24 percent annually. This ensures that the system is comprehensively  
13              inspected to identify potential threats to safety and reliability and helps  
14              to avoid spikes in maintenance costs by preventing emergency  
15              situations.

16       **b. Section 712.8(s)(1) Public Purpose Priority**

17              This program supports 712.8(s)(1) subsection subsection(F),  
18              Increasing resiliency and reducing operational and system risk, by  
19              funding inspections of electric distribution facilities to identify safety,  
20              reliability and wildfire risks, consistent with GO 165 requirements. In  
21              addition, it satisfies Section 712.8(s)(1) subsection (D), Workforce and  
22              customer safety, because increased activities will detect risky conditions  
23              that could not only impact individual customers served by electrical  
24              facilities, but also pose safety risks to PG&E employees and contractors  
25              working near its overhead distribution assets.

26       **c. Affordability**

27              While this program is presented in the 2027 GRC, PG&E is not  
28              seeking cost recovery through the GRC. Instead, PG&E seeks cost  
29              recovery through the 2027 VPFs in this application. Accordingly, the  
30              program supports affordability because PG&E's GRC request has been  
31              reduced by the cost of the program. See "Affordability Alignment" in  
32              Section C above.

1            Additionally, this program promotes affordability as a guiding  
2 principle by reducing the frequency and cost of emergency responses  
3 and enabling higher quality, planned maintenance work. If overhead  
4 inspections are deferred in non HFTD, asset conditions are more likely  
5 to degrade unnoticed, leading to increased failure rates and a greater  
6 reliance on costly emergency repairs. Emergency conditions also limit  
7 PG&E's ability to execute work to optimal standards, which can  
8 contribute to recurring issues and additional future emergencies.

9            By funding BFB inspections to proactively identify and address  
10 conditions that pose elevated safety and reliability risks, PG&E can  
11 reduce the need for emergency responses and perform corrective work  
12 in a more efficient, higher quality manner. This proactive approach  
13 lowers overall system costs over time and helps mitigate upward  
14 pressure on rates while maintaining safe and reliable service.

15 **d. No Double Recovery in Rates**

16            While this program is presented in the 2027 GRC, PG&E is not  
17 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
18 recovery through the 2027 VPFs in this application. Accordingly,  
19 PG&E's GRC request has been reduced by the cost of this program.

20 **5. Wildfire Situational Awareness and Forecasting (\$34.41 million)**

21 **a. Wildfire Cameras (\$11.53 million)**

22 **1) Program Description**

23            PG&E has facilitated the development of an early wildfire  
24 detection system to improve its ability to detect and monitor  
25 wildfires. Since 2018, PG&E has partnered with an external vendor  
26 to install and maintain a public access high-definition camera  
27 network. This is the same platform that is utilized by California  
28 Department of Forestry and Fire Protection, the US Forest Service,  
29 Southern California Edison Company, San Diego Gas & Electric  
30 Company, and other agencies.

31            Today, PG&E has sponsored more than 700 cameras, providing  
32 visual coverage across over 90 percent of Tier 2 and Tier 3 High  
33 Fire Threat Districts within the service territory. PG&E's Hazard

1 Awareness and Warning Center, as well as first responders and  
2 external agencies, can remotely operate the cameras to gain  
3 immediate situational awareness. Video feeds near the threatened  
4 areas provide critical information about the prevailing conditions  
5 both prior to and during a wildfire, allowing PG&E analysts to deliver  
6 more accurate assessments and reports for key decision makers. In  
7 the event of wildfire, the camera network will further enhance  
8 situational awareness, which is critical to sending notifications to  
9 employees and others in or near the impacted area to allow them to  
10 take appropriate personal safety precautions.<sup>19</sup> Given the size of  
11 the network, manual monitoring of all camera feeds is not feasible.  
12 To address this, PG&E deployed Artificial Intelligence (AI)-based fire  
13 detection capabilities across its network of cameras in 2023. PG&E  
14 continues to collaborate with the ALERTCalifornia consortium,  
15 UC San Diego, and Digital Path to refine these AI capabilities,  
16 manage the platform, and support operations through a fully  
17 redundant data center.

18 In 2027, the wildfire camera program will continue to mature the  
19 AI capabilities of the overall system in the continuing efforts to  
20 improve AI detection performance. In addition, the team will review  
21 current camera distribution to ensure operational support and  
22 maturity of the overall system. This will include reviewing current  
23 camera deployment sites and determining whether additional sites  
24 may improve the overall capability of the system. Cameras may be  
25 re-allocated, retired, or added in support of these efforts.

## 26 **2) Section 712.8(s)(1) Public Purpose Priority**

27 The program supports Section 712.8(s)(1) subsection (D),  
28 Workforce and customer safety, by enhancing public, customer, and  
29 workforce safety through:

- 30 • Enabling early awareness and detection of wildfire ignitions;
- 31 • Sharing ignition data with public safety partners so they can  
32 respond more quickly to new fires;

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<sup>19</sup> Public live feeds and time lapse videos are available at <https://ops.alertcalifornia.org/>.

- Supporting the development of AI to automate ignition notifications for public safety partners and PG&E personnel; and
- Providing real-time visibility into fire behavior, helping teams respond more effectively as conditions change.

### 3) Affordability

While this program is presented in the 2027 GRC, PG&E is not seeking cost recovery through the GRC. Instead, PG&E seeks cost recovery through the 2027 VPFs in this application. Accordingly, the program supports affordability because PG&E's GRC request has been reduced by the cost of the program. See "Affordability Alignment" in Section C above.

Additionally, although it is difficult to quantify, this program is intended to reduce the risk associated with catastrophic fires. The Wildfire Camera program enables early detection of wildfire ignitions across the service territory. The agencies having jurisdiction over these incidents have the same access and receive the same alerts from the system as PG&E does. In 2023, PG&E facilitated the inclusion of AI detection on the system to allow for automated notifications to stakeholders.

Early detection of wildfire ignitions by the AI enabled system allows for early awareness of the incident to the agency having jurisdiction over the incident. The early awareness facilitates early response to the incident which in turn enables early suppression efforts. Early suppression of an incident directly leads to reduced overall consequence (fewer acres burned, less damage from the incident, increased ability to control the duration of the incident by fire agencies).

Reduced consequences from the incident leads to reduced overall impact to the PG&E system(s) impacted by the incident. Reduced impact leads to reduced overall costs due to less need to replace infrastructure that may have required repair or replacement without the system.

1                   **4) No Double Recovery in Rates**

2                   While this program is presented in the 2027 GRC, PG&E is not  
3                   seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
4                   recovery through the 2027 VPFs in this application. Accordingly,  
5                   PG&E’s GRC request has been reduced by the cost of this program.

6                   **b. Asset Health and Performance Center (\$5.70 million)**

7                   **1) Program Description**

8                   The PG&E AHPC deploys and operates technologies and  
9                   applications that provide data for real time grid monitoring and  
10                  analytics of asset health and performance. The AHPC Program is a  
11                  foundational activity for WLDFR because these technologies and  
12                  applications predict developing problems on the electric system so  
13                  PG&E can implement proactive maintenance, reducing WLDFR and  
14                  improving public safety.

15                  In 2027, PG&E plans to perform the following activities:

- 16                  • Monitoring, maintenance, and support of existing sensor  
17                  technologies;
- 18                  • Evaluate, pilot, and operationalize emerging technologies for  
19                  WLDFR reduction;
- 20                  • Develop/improve analytics methodologies that enable incipient  
21                  failure identification; and
- 22                  • Alert analysis, field investigations, and risk remediation tracking.

23                  **2) Section 712.8(s)(1) Public Purpose Priority**

24                  This program supports Section 712.8(s)(1) subsection (F),  
25                  Increasing resiliency and reducing operational and system risk, by  
26                  utilizing a portfolio of new and commercially available monitoring  
27                  and sensing technologies, in combination with advanced analytical  
28                  and machine learning tools to monitor real-time distribution grid  
29                  disturbances; identify, locate, and predict developing hazards; and  
30                  investigate and co-ordinate repair of assets prior to failure.

31                  **3) Affordability**

32                  While this program is presented in the 2027 GRC, PG&E is not  
33                  seeking cost recovery through the GRC. Instead, PG&E seeks cost

1 recovery through the 2027 VPFs in this application. Accordingly, the  
2 program supports affordability because PG&E's GRC request has  
3 been reduced by the cost of the program. See "Affordability  
4 Alignment" in Section C above.

5 Grid sensor technologies and associated analytics (a) enable  
6 identification of incipient failure of assets enabling PG&E to take  
7 proactive remedial action reducing costs associated with wildfire  
8 ignitions as well as unplanned outage response and (b) provides  
9 locational accuracy of failure locations enabling targeted field  
10 response reducing labor costs through optimized field patrols.

11 Expected realized benefits through operation of sensor  
12 technologies include:

- 13 • Reduced field patrol labor for outage response;
- 14 • Reduced capital costs through proactive maintenance of assets  
15 on path to failure;
- 16 • Reduced unplanned outages/ faster outage response reducing  
17 customer outage minutes; and
- 18 • Identification of energy diversion which leads to avoided lost  
19 revenue.

#### 20 **4) No Double Recovery in Rates**

21 While this program is presented in the 2027 GRC, PG&E is not  
22 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
23 recovery through the 2027 VPFs in this application. Accordingly,  
24 PG&E's GRC request has been reduced by the cost of this program.

1

**c. Meteorology Programs (\$17.18 million)**

**TABLE 7-3  
WILDFIRE METEOROLOGY PROGRAMS**

Line No.	Subprogram Name	Forecast
1	Satellite Data Analysis	\$0.98 million
2	Advanced Fire Modeling	\$7.29 million
3	Fire Potential Index	\$0.20 million
4	Research & Academic Partnerships	\$0.55 million
5	Meteorology IT Support Exp	\$0.48 million
6	Weather Stations Expense	\$4.17 million
7	Satellite Fire Detection Syst	\$0.25 million
8	Numerical Weather Prediction WMBA	\$3.26 million

2

**1) Program Description**

3

Satellite Data Analysis

4

This program supports wildfire situational awareness through the analysis of satellite-based data to inform monitoring, detection, and forecasting activities within PG&E’s wildfire programs. The project is discussed within Chapter 5 and supports data-driven decision-making related to wildfire risk. GRC Reference: Workpaper (WP) 5-7.

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Advanced Fire Modeling

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Advanced Fire Modeling funds the development, operation, and refinement of models utilized to assess the risk of catastrophic fires. It supports improvements of PG&E’s Fire Potential Index model as well as fire behavior and spread modeling capabilities used to support WLDLFR assessment and operational planning. This work is a core analytical component of PG&E’s wildfire situational awareness and forecasting framework. GRC Reference: WP 5-15.

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Fire Potential Index

19

The Fire Potential Index program supports the operational application of the Fire Potential Index used to characterize wildfire potential based on environmental and meteorological conditions. GRC Reference: WP 5-23.

20

21

22

1 Research & Academic Partnerships

2 This program funds collaboration with external research  
3 institutions and academic partners to advance wildfire science,  
4 modeling, and situational awareness capabilities. These  
5 partnerships support applied research aligned with PG&E’s wildfire  
6 mitigation and forecasting needs. GRC Reference: WP 5-31.

7 Meteorology IT Support Expense

8 Meteorology IT Support covers information technology systems  
9 and services required to support meteorological operations, data  
10 processing, and forecasting tools used in wildfire situational  
11 awareness activities. GRC Reference: WP 5-25.

12 Weather Stations Expense

13 This program supports the operation, maintenance, and  
14 expense-related activities associated with PG&E’s weather station  
15 network, which provides localized meteorological data critical to  
16 WLDFR assessment and forecasting. GRC Reference: WP 5-3.

17 Satellite Fire Detection System

18 The Satellite Fire Detection System provides satellite-based fire  
19 detection capabilities to enhance early awareness of wildfire  
20 ignitions and support situational monitoring across PG&E’s service  
21 territory. GRC Reference: WP 5-33.

22 Numerical Weather Prediction

23 Numerical Weather Prediction supports the use and operation of  
24 advanced weather modeling capabilities to generate high resolution  
25 forecasts tailored to PG&E’s WLDFR and operational needs,  
26 including wind, temperature, and other meteorological drivers. GRC  
27 Reference: WP 5-27.

28 In 2027, PG&E’s activities under this program will focus on  
29 continued operation, maintenance, and incremental enhancements  
30 of analytical, monitoring, and forecasting capabilities that support  
31 wildfire mitigation and operational decision-making. These activities  
32 are foundational in nature and enable multiple downstream wildfire  
33 mitigation programs like Public Safety Power Shutoffs (PSPS) and  
34 Enhanced Powerline Safety Settings (EPSS).

1                   **2) Section 712.8(s)(1) Public Purpose Priority**

2                   This program satisfies Section 712.8(s)(1) subsection (F),  
3                   Increasing resiliency and reducing operational and system risk, and  
4                   Section 712.8(s)(1) subsection (D), Workforce and customer safety,  
5                   by informing operational decision-making through improved weather  
6                   modeling, situational awareness and forecasting, thereby increasing  
7                   system resiliency and reducing operational and system risk. These  
8                   programs are foundational to PG&E’s ability to execute PSPS and  
9                   operationalize ~~Enhance Powerline Safety Settings~~ EPSS, which  
10                  reduce the risk of ignitions and catastrophic fires.

11                  **3) Affordability**

12                  While this program is presented in the 2027 GRC, PG&E is not  
13                  seeking cost recovery through the GRC. Instead, PG&E seeks cost  
14                  recovery through the 2027 VPFs in this application. Accordingly, the  
15                  program supports affordability because PG&E’s GRC request has  
16                  been reduced by the cost of the program. See "Affordability  
17                  Alignment" in Section C above.

18                  Additionally, this program helps promote affordability and  
19                  reduce upward pressure on rates by supporting more informed,  
20                  targeted, and efficient operational decision-making, which enables  
21                  PG&E to apply wildfire mitigation measures where and when they  
22                  are most needed. This, in turn, reduces exposure of catastrophic  
23                  fire from utility equipment while also allowing for more targeted  
24                  mitigation decisions, like PSPS, with improved forecast data and  
25                  situational awareness tools.

26                  These programs are a foundational activity for WLDFR because  
27                  these technologies and applications enable cost effective mitigation  
28                  strategies such as EPSS and PSPS. PSPS and EPSS could not be  
29                  executed without Numerical Weather Prediction and Advanced Fire  
30                  Modeling for example. Based on the GRC errata1 WLDFR risk  
31                  calculation, the WLDFR reduction from PSPS for Test Year 2027 is  
32                  \$4,915 million, which is PG&E’s largest and most effective  
33                  operational WLDFR mitigation.

1                   **4) No Double Recovery in Rates**

2                   While this program is presented in the 2027 GRC, PG&E is not  
3                   seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
4                   recovery through the 2027 VPFs in this application. Accordingly,  
5                   PG&E’s GRC request has been reduced by the cost of this program.

6                   **6. Customer Battery Programs (\$30 million)**

7                   **a. Program Description**

8                   This program will explore deploying multiple battery solutions to  
9                   improve customer reliability, resiliency, enhance load management, and  
10                  reduce system costs. In 2027, PG&E seeks to use the insights from the  
11                  2026 business case exploration to pilot other battery applications and/or  
12                  offerings including direct installation of BTM batteries, rebates, load  
13                  management technology, and front-of-the meter (FTM) customer sited  
14                  and/or service transformer sited customer-scale batteries. In addition,  
15                  the 2027 program expands its scope to serve customers on circuits both  
16                  within and outside of High Fire Risk Areas (HFRAs) to allow for flexibility  
17                  in targeting segments of the grid with reliability, resiliency, and/or  
18                  capacity constraints.

19                  Activities planned for 2027 will depend on the outcomes of the  
20                  program’s business case exploration in 2026, and may include:  
21                  expanding installation of BTM direct install batteries for customers on  
22                  circuits with reliability issues or capacity constraints, both within and  
23                  outside of high fire threat areas; testing a cohort of solar-only, net  
24                  energy metering (NEM) customers to transition to the net billing tariff in  
25                  exchange for a battery rebate; field pilot for FTM service  
26                  transformer-sited or customer-sited battery installation; and/or piloting a  
27                  utility-controlled load management program with the batteries installed.

28                  **b. Section 712.8(s)(1) Public Purpose Priority**

29                  This program supports Section 712.8(s)(1) subsection (F),  
30                  Increasing resiliency and reducing operational and system risk, by  
31                  providing either BTM or FTM backup batteries that can safely maintain  
32                  power to customers’ critical electrical devices and equipment during  
33                  outages. Hence, the Customer Battery Program directly increases

1 resiliency for customers, many of whom may lack the means to adopt a  
2 resiliency solution on their own. It also reduces risk, as without this  
3 program, many customers may install more affordable but less reliable  
4 and safe solutions, such as a gas generator with extension cords, which  
5 requires regular maintenance and must be set up during an event.

6 This program also supports Section 712.8(s)(1) subsection (D),  
7 Workforce and customer safety, by using BTM and/or FTM batteries to  
8 prevent health, financial, and social impacts of losing power.

9 This program also indirectly supports Section 712.8(s)(1) subsection  
10 (B), Accelerating actions needed to bring renewable and zero carbon  
11 energy online and modernize the electrical grid. Distributed energy  
12 resources, like batteries, also support the modernization of the electrical  
13 grid by enabling local load management, increasing the utilization of grid  
14 assets, and enabling a more dynamic, nimble orchestration of the  
15 electric distribution grid. The batteries, when not needed for backup  
16 power, can be used to respond to time-of-use rates or demand response  
17 signals, which provide price signals to increase usage during periods of  
18 excess solar generation and decrease usage during the evening hours  
19 when solar generation declines.

20 **c. Affordability**

21 While this program is presented in the 2027 GRC, PG&E is not  
22 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
23 recovery through the 2027 VPFs in this application. Accordingly, the  
24 program supports affordability because PG&E's GRC request has been  
25 reduced by the cost of the program. See "Affordability Alignment" in  
26 Section C above.

27 Additionally, this program aligns with the guiding principle of  
28 affordability by enabling BTM and potentially front-of-meter batteries to  
29 relieve local grid constraints, enable load shifting, and potentially  
30 deferring grid upgrades through load management. Further, this battery  
31 deployment program supports customer resilience, which supports  
32 individual customer affordability by avoiding impacts of outages (e.g.,  
33 food spoilage, loss of work, etc.).

1           The benefits will depend on which solution is deployed in the field  
2 based on the results of the 2026 business case exploration. Estimating  
3 approximately 250-battery deployments on customer premises and/or  
4 front-of-the-meter. These batteries will be orchestrated to increase  
5 customer resilience and reduce impacts from outages, as well as  
6 increase grid resilience by supporting local load management. Benefits  
7 include customer outage minutes mitigated and avoided cost benefits  
8 from optimal dispatch. Learnings from these battery deployments will  
9 inform future program design, which may include load management  
10 services, rebate offerings, and FTM deployment strategies.

11           **d. No Double Recovery in Rates**

12           While this program is presented in the 2027 GRC, PG&E is not  
13 seeking cost recovery for this program in the GRC. Instead, PG&E  
14 seeks cost recovery through the 2027 VPFs in this application.  
15 Accordingly, PG&E's GRC request has been reduced by the cost of this  
16 program.

17           **7. Inspection, Preventative and Corrective Maintenance (MWC GC)**  
18           **(\$58.50 million)**

19           **a. Program Description**

20           This program will focus on Distribution Substation O&M, which  
21 includes operations, preventative maintenance, and corrective  
22 maintenance within distribution substations. Specifically, it includes the  
23 following:

24           Operations in a substation include substation facility and equipment  
25 inspections, switching, activities associated with providing safe  
26 conditions for employees, restoring service to customers, calibrating and  
27 adjusting substation equipment, testing, maintaining station logs and  
28 prints, janitorial and utility services, landscaping maintenance,  
29 purchasing operational supplies, and travel time necessary to perform  
30 field work.

31           Preventive maintenance includes diagnostic testing, overhauls,  
32 washing insulators, application of room temperature vulcanized rubber  
33 coating to reduce the need to complete periodic insular washing, yard

1 repairs, refurbishing capitalized emergency and surplus equipment,  
2 animal abatement, and the associated travel time.

3 Corrective maintenance includes repairing failed equipment, mobile  
4 substation and mobile transformer installation costs, relocating  
5 capitalized emergency and surplus equipment, and the associated travel  
6 time.

7 **b. Section 712.8(s)(1) Public Purpose Priority**

8 The proposed spending supports Section 712.8(s)(1) subsection (F),  
9 Increasing resiliency and reducing operational and system risk, by  
10 funding substation inspection, preventive maintenance, and corrective  
11 maintenance activities to identify and address safety, reliability, and  
12 wildfire related risks. These activities are consistent with applicable  
13 regulatory and maintenance requirements and are critical to sustaining  
14 the operational integrity of substation assets. Routine inspections and  
15 preventive maintenance enable early detection of equipment  
16 degradation, while corrective maintenance addresses identified  
17 deficiencies before they escalate into system failures, thereby improving  
18 system resiliency and reducing operational and system risk.

19 In addition, this program supports Section 712.8(s)(1)  
20 subsection (D), Workforce and Customer Safety. Expanded substation  
21 inspection and maintenance activities increase the likelihood of  
22 identifying hazardous conditions that could impact customers served by  
23 substation facilities, as well as PG&E employees and contractors  
24 performing work within substations. By proactively identifying and  
25 correcting these conditions, the program reduces exposure to electrical,  
26 mechanical, and operational hazards and supports a safer working  
27 environment for personnel while enhancing overall public safety.

28 **c. Affordability**

29 While this program is presented in the 2027 GRC, PG&E is not  
30 seeking cost recovery through the GRC. Instead, PG&E seeks cost  
31 recovery through the 2027 VPFs in this application. Accordingly, the  
32 program supports affordability because PG&E's GRC request has been

1 reduced by the cost of the program. See "Affordability Alignment" in  
2 Section C above.

3 Additionally, collectively, distribution substation inspection,  
4 preventive maintenance, and corrective maintenance activities support  
5 affordability by reducing the likelihood of high-cost equipment failures,  
6 extending asset service life, enabling planned and efficient use of  
7 resources, and minimizing outage and safety related costs, thereby  
8 lowering total lifecycle costs borne by customers.

9 **d. No Double Recovery in Rates**

10 While this program is presented in the 2027 GRC, PG&E is not  
11 seeking cost recovery for it in the GRC. Instead, PG&E seeks cost  
12 recovery through the 2027 VPFs in this application. Accordingly,  
13 PG&E's GRC request has been reduced by the cost of this program.

14 **8. Interconnections – Electric Grid Interconnection**  
15 **(\$2 million – \$9.40 million)**

16 **a. Program Description**

17 The Electric Grid Interconnection (EGI) Program administers  
18 PG&E's processes for ensuring the safe, reliable, and tariff-compliant  
19 interconnection of electric generation projects to the distribution system.  
20 Through the Expense EGI program, PG&E oversees the full electric  
21 interconnection process for all generation projects interconnected at  
22 PG&E's distribution service, exclusive of any associated construction  
23 activities. This work includes administering interconnection requests  
24 under applicable retail tariff programs, ensuring compliance with Electric  
25 Rule 21, and processing Federal Energy Regulatory Commission  
26 (FERC)-jurisdictional interconnection applications submitted under the  
27 Wholesale Distribution Tariff for projects seeking Power Purchase  
28 Agreements. By carrying out these responsibilities, the EGI Program  
29 provides equitable and nondiscriminatory access to the electric grid,  
30 facilitates timely and accurate processing of customer applications, and  
31 supports PG&E's obligations to maintain system safety, reliability, and  
32 conformance with all governing regulatory requirements.

1 Improvements in interconnection processing for 2027 focus on  
2 accelerating the review and processing of applications across all tariff  
3 pathways, reducing queue aging and improving Permission to Operate  
4 (PTO) timelines through strengthened staffing and workflow capacity,  
5 enhancing internal processes and work practices to streamline how  
6 requests move through the system, upgrading data quality systems to  
7 ensure greater accuracy and consistency, and maintaining strong  
8 compliance with CPUC, FERC, and tariff requirements to support safe  
9 and reliable grid interconnections.

10 **b. Section 712.8(s)(1) Public Purpose Priority**

11 This program directly advances Section 712.8(s)(1) subsection (B),  
12 Accelerating actions needed to bring renewable and zero carbon energy  
13 online and modernize the electrical grid, and Section 712.8(s)(1)  
14 subsection (F), Increasing resiliency and reducing operational and  
15 system risk, by reducing operational and system risks associated with  
16 interconnection bottlenecks. Through accelerated timelines, enhanced  
17 throughput, and improved system modernization, the EGI Program  
18 delivers meaningful customer and system benefits more rapidly than  
19 would otherwise be possible under existing funding.

20 **c. Affordability**

21 Faster and more predictable interconnection timelines help  
22 customers avoid unnecessary project delays, financing extensions, or  
23 construction cost increases. Improved PTO timelines also help  
24 customers realize generation related bill savings sooner, advancing the  
25 affordability principle by reducing customer costs and supporting  
26 renewable adoption.

27 This program supports affordability by preventing fee increases that  
28 would otherwise be required to process the remaining Net Energy  
29 Metering 2 Virtual (NEM2V) and Net Energy Metering 2 Aggregation  
30 (NEM2A) applications progressing toward the February 14, 2027  
31 deadline for final authorization from the local authority having jurisdiction  
32 (AHJ) to maintain their NEM 2 tariff.

1 PG&E plans to use VPF funds to retain contractors and staff to  
2 support EGI activities and work down the remaining NEM2V and  
3 NEM2A workload. These resources are required to maintain processing  
4 timeliness, manage backlog risk, and ensure continuity of service as  
5 customers advance applications toward final eligibility milestones prior  
6 to the sunset date.

7 By providing VPF support, PG&E can prevent sunset-related  
8 workload costs from flowing through to customers. This helps avoid and  
9 protects customers from higher bills associated with 2024 and 2025  
10 implementation costs.

11 This program will allow PG&E to retain experienced, trained  
12 resources to efficiently process the remaining NEMV and NEMA  
13 applications, mitigate operational risk, and ensure an orderly wind-down  
14 of the NEM2V and NEM2A programs while continuing to provide timely  
15 and consistent service through the deadline for final authorization from  
16 the AHJ to maintain NEM 2 Tariff Sunset.

17 **d. No Double Recovery in Rates**

18 The costs associated with this program are not being sought for  
19 recovery in any other rate case proceeding.

20 **9. Customer Electrification & Grid Modernization Technologies Programs**  
21 **(\$23 million – \$35.25 million)**

22 **a. Driving Stakeholder Readiness for Electrification**  
23 **(\$10 million – \$12 million)**

24 **1) Program Description**

25 This program will support electrification by reducing barriers that  
26 increase cost, complexity, uncertainty, and inaction for customers  
27 considering electric vehicles and BE measures. The program  
28 emphasizes coordination, education, and resources to improve  
29 readiness across the broader electrification ecosystem, including  
30 customers, contractors, and community partners.

31 By strengthening external market understanding, developing  
32 and improving engagement with PG&E tools and resources, and  
33 enabling more informed project planning, the program supports

1 scalable electrification outcomes while improving customer  
2 experience and operational efficiency.

3 In 2027, the program will undertake a portfolio of coordinated  
4 activities designed to improve electrification readiness and reduce  
5 friction across customer electrification pathways. These activities  
6 may include:

- 7 • Engagement and education of residential contractors across  
8 PG&E’s service territory to promote best practices for  
9 electrification projects, including early coordination with PG&E  
10 and strategies to minimize costly upgrades;
- 11 • Development and refinement of PG&E, contractor and  
12 customer-facing resources, toolkits, and data-tracking  
13 capabilities that support informed electrification decisions and  
14 streamlined participation in PG&E programs;
- 15 • Outreach and partnership with community-based organizations  
16 to ensure equitable access to electrification education,  
17 resources, and program opportunities; and
- 18 • Continued operation and programming of the San José  
19 electrification demonstration and training center to support  
20 customer education, workforce development, and community  
21 engagement.

22 The program is structured to allow refinement over time,  
23 enabling PG&E to adjust emphasis and approach based on  
24 implementation experience, market response, and evolving needs.

25 **2) Section 712.8(s)(1) Public Purpose Priority**

26 The program supports Section 712.8(s)(1) subsection (C),  
27 Accelerating building decarbonization, by reducing barriers for  
28 customers and contractors to embark on building decarbonization  
29 projects. By addressing informational and process-related barriers  
30 that can delay or deter electrification projects, the program  
31 accelerates customer participation in electrification programs and  
32 supports earlier adoption of electric technologies. The program also  
33 strengthens the role of contractors and community partners who  
34 influence customer decisions, helping ensure that electrification

1 efforts are implemented in a manner that is safe, informed, and  
2 aligned with PG&E's system and planning objectives.

3 This program also supports Section 712.8(s)(1) subsection (D),  
4 Workforce and customer safety, by providing support to customers  
5 pursuing electrification projects to engage in the proper steps to  
6 ensure safety to their property or PG&E assets.

7 Finally, this program supports Section 712.8(s)(1)  
8 subsection (E), Communications and education, by providing tools  
9 and resources for customers and contractors to facilitate the  
10 electrification process. The program strengthens the role of  
11 contractors and community partners who influence customer  
12 decisions, helping ensure that electrification efforts are implemented  
13 in a manner that is safe, informed, and aligned with PG&E's system  
14 and planning objectives.

### 15 **3) Affordability**

16 The program promotes affordability by enabling customers and  
17 market actors to better understand and pursue electrification  
18 pathways that minimize unnecessary costs and reduce project  
19 complexity, including approaches that can avoid or defer more  
20 expensive upgrades where feasible.

21 From a system perspective, the program supports affordability  
22 by facilitating beneficial electrification in a manner that improves  
23 utilization of existing infrastructure and reduces inefficiencies  
24 associated with poorly coordinated or delayed projects. By lowering  
25 barriers and improving execution of electrification projects, the  
26 program helps mitigate cost pressures that could otherwise  
27 contribute to upward pressure on rates.

28 The program provides a net benefit to ratepayers by supporting  
29 more efficient and effective electrification outcomes that align with  
30 PG&E's operational and planning objectives. By improving market  
31 readiness and coordination, the program increases the likelihood  
32 that electrification projects proceed in a cost-effective manner and  
33 contribute to beneficial load growth.

1 In addition, the program supports the development of insights,  
2 partnerships, and reusable tools that can inform future electrification  
3 efforts and reduce duplicative or inefficient work. When considered  
4 alongside the program's cost and its role in enabling scalable  
5 electrification, these outcomes support a positive value proposition  
6 for ratepayers.

#### 7 **4) No Double Recovery in Rates**

8 The costs associated with this program are not being sought for  
9 recovery in any other rate case proceeding.

### 10 **b. Customer Intake and Management Platform** 11 **(\$3 million – \$3.25 million)**

#### 12 **1) Program Description**

13 The Customer Intake and Management Platform is a proposed  
14 foundational, cross-program capability designed to modernize and  
15 unify how customers access and participate in PG&E programs. It  
16 addresses needs that span multiple program portfolios. Today,  
17 customers must navigate multiple program-specific application  
18 processes that vary in structure, requirements, and user experience.  
19 This fragmentation creates barriers to participation, increases  
20 customer attrition, and drives unnecessary administrative costs.

21 The proposed capability will establish a centralized digital intake  
22 and management experience through which customers can submit,  
23 track, and manage applications across multiple PG&E programs  
24 through a unified interface. In parallel, the capability will provide  
25 internal teams with standardized tools to manage customer  
26 enrollment, configure eligibility rules, track workflows, and monitor  
27 program performance. It will also support data-informed customer  
28 guidance and personalized program recommendations.

29 By consolidating intake and management functions, this  
30 program improves the customer experience while increasing  
31 operational efficiency and visibility across PG&E's program  
32 portfolios.

1 In 2027, program activities will focus on designing and  
2 implementing the foundational components of a centralized  
3 customer intake platform. Activities may include:

- 4 • Developing an implementation roadmap that incorporates intake  
5 process analysis and customer feedback;
- 6 • Defining common functional requirements and standards that  
7 can support multiple programs;
- 8 • Developing a secure, customer-facing functionality capable of  
9 supporting multi-program enrollment;
- 10 • Establishing internal tools and workflows for program teams to  
11 manage customer intake and enrollment; and
- 12 • Integrating the platform with relevant PG&E data sources and  
13 workflows to reduce manual data entry and improve accuracy.

14 These activities are intended to be modular and scalable,  
15 allowing PG&E to onboard additional programs over time while  
16 maintaining flexibility to adapt the platform as program needs  
17 evolve.

## 18 **2) Section 712.8(s)(1) Public Purpose Priority**

19 The program supports Section 712.8(s)(1) subsection (B),  
20 Accelerating actions needed to bring renewable and zero-carbon  
21 energy online and modernize the electrical grid, by accelerating the  
22 deployment and impact of clean energy and grid-modernization  
23 solutions.

24 It also supports Section 712.8(s)(1) subsection (C), Accelerating  
25 building decarbonization, by reducing administrative friction that can  
26 impede access to building decarbonization programs and slow  
27 customer adoption of clean energy solutions.

28 Many programs that advance these priorities—such as  
29 electrification, load management, and decarbonization initiatives—  
30 depend on effective customer enrollment to deliver system and  
31 societal benefits. By streamlining intake, improving access, and  
32 simplifying program navigation, the Customer Intake and  
33 Management Platform enables faster and broader customer  
34 participation.

1 The program also supports Section 712.8(s)(1) subsection (E),  
2 Communications and education, by providing customers with a  
3 consistent, intuitive interface that clarifies program options, eligibility,  
4 and application status across multiple offerings.

### 5 **3) Affordability**

6 The program promotes affordability as a guiding principle by  
7 reducing the cost of delivering customer-facing programs and  
8 lowering the administrative burden associated with enrollment and  
9 participation. Today's fragmented intake environment requires  
10 duplicative systems, redundant vendor solutions, and manual  
11 processes that increase costs borne by ratepayers.

12 By consolidating customer intake into a single platform, the  
13 program reduces upward pressure on rates through:

- 14 • Elimination of redundant customer-facing tools and backend  
15 systems;
- 16 • More efficient use of internal labor by standardizing workflows  
17 and reducing manual intervention;
- 18 • Lower marketing and outreach costs by directing customers to a  
19 single, centralized entry point; and
- 20 • Reduced customer attrition, which lowers the cost per  
21 successful enrollment for existing programs.

22 These efficiencies allow PG&E to deliver the same or greater  
23 program benefits at a lower administrative cost, supporting  
24 affordability without reducing customer access to programs.

### 25 **4) No Double Recovery in Rates**

26 The costs associated with this program are not being sought for  
27 recovery in any other rate case proceeding.

## 28 **c. Optimizing Asset Utilization to Accelerate Interconnection &** 29 **Modernize the Electrical Grid (\$10 million – \$20 million)**

### 30 **1) Program Description**

31 This program will scale deployment of proven solutions that  
32 optimize the use of existing grid assets to accelerate customer  
33 interconnection and energization and reduce the need for asset

1 upgrades. Further, the program advances new pathways for  
2 interconnections that maintain grid stability while enabling new  
3 technologies and operating models that unlock faster  
4 interconnections.

5 In 2027, the program will pursue several coordinated pathways  
6 designed to scale deployment of grid asset optimization solutions.

7 These activities may include:

- 8 • Customer engagement to continue validating pain points and  
9 value propositions;
- 10 • Iterative learning and scaling of successful pilots based on key  
11 milestones,
- 12 • Scaling new approaches to load flexibility for expedited  
13 interconnection and supporting adoption readiness;
- 14 • Coordinating hardware installation and logistics;
- 15 • Implementing validated technology for home panel upgrade  
16 avoidance;
- 17 • Deployment of sensors to monitor transmission and distribution  
18 line capacity and related asset health; and
- 19 • Supporting project team capacity to support broader  
20 deployment.

## 21 **2) Section 712.8(s)(1) Public Purpose Priority**

22 This program supports Section 712.8(s)(1) subsection (A),  
23 Accelerating customer and generator interconnections, by creating  
24 new approaches to support loads without traditionally required  
25 upgrades to grid assets. Interconnection and energizations will be  
26 expedited by leveraging advanced tools for load flexibility and  
27 deploying lower cost technology solutions that increase utilization of  
28 existing grid assets. The program enables greater visibility and  
29 control at customer sites, allowing utilities to manage load growth,  
30 avoid costly infrastructure upgrades, and integrate electrification in a  
31 more flexible, data-driven way.

32 This program supports Section 712.8(s)(1) subsection (C),  
33 Accelerating building decarbonization, by addressing significant  
34 barriers to the adoption of building and home electrification

1 technologies and aims to remove targeted hurdles for  
2 interconnection and energization.

3 The program also supports Section 712.8(s)(1) subsection (F),  
4 Increasing resiliency and reducing operational and system risk, by  
5 providing greater information, tools, and flexibility for asset O&M,  
6 resulting in cost savings and improved grid management during  
7 times of grid stress.

### 8 **3) Affordability**

9 This asset utilization program delivers both operational and  
10 customer savings by avoiding asset upgrades, increasing asset  
11 utilization, and directly providing customers technologies to generate  
12 savings. This program focuses on expediting interconnection and  
13 energization of beneficial load, helping to apply downward pressure  
14 on rates by enabling the connection of new electrification loads—  
15 and their associated revenue—while avoiding the costs of  
16 upgrading the transmission or distribution systems.

17 In 2027, the key metrics quantifying net benefits will be:  
18 (1) deploying new technology solutions at 2,000 – 5,000 homes and  
19 customer sites and (2) technology deployment to increase visibility  
20 and utilization of a broad range of grid assets.

### 21 **4) No Double Recovery in Rates**

22 The costs associated with this program are not being sought for  
23 recovery in any other rate case proceeding.

## 24 **10. Enterprise Safety Access Program (\$2 million – \$2.50 million)**

### 25 **a. Program Description**

26 The ESAP is an emerging program to fulfill the need for a proactive,  
27 enterprise roads management program with two primary goals:  
28 increased safety for coworkers and contractors assessing PG&E's  
29 assets and increased operational efficiency in the ability to quickly and  
30 reliably access PG&E assets to conduct inspections, operations, and  
31 maintenance.

32 A fully operational, proactive enterprise road management program  
33 will encompass four main categories of work: a utility access road

1 inventory, routine roadwork to bring roads into a standard of good repair,  
2 major road work to reclaim roads, and an inspection and maintenance  
3 program for road upkeep. Building a program to meet the above  
4 expectations is a long-term investment. At this stage, PG&E does not  
5 have a complete understanding of the system risk associated with  
6 access roads.

7 Work in 2027 will focus on access road management and  
8 maintenance for electric transmission lines associated with DCPD and  
9 roads in and around the DCPD property. This work may include  
10 inspection, scoping, vegetation work, road grading, and data  
11 management. The main transmission corridors targeted may include:

- 12 • Diablo-Midway;
- 13 • Diablo-Gates; and
- 14 • Helms-Gregg.

15 **b. Section 712.8(s)(1) Public Purpose Priority**

16 This program supports Section 712.8(s)(1) subsection (D),  
17 Workforce and customer safety, by quantifying the safety component of  
18 incidents that have occurred on access roads, including four fatalities  
19 and 10 Serious Injury and Fatality-potentials. ESAP will be the primary  
20 mitigation measure for Access Asset Incident (ACASI) risk.

21 In May 2024, an internal road hazard reporting mechanism was  
22 released enterprise wide to crowd source information about PG&E's  
23 access roads from coworker and contractor teams. Since this  
24 functionality was released, 452 validated hazards have been reported,  
25 of which 302 are still active, unmitigated hazards on the map.

26 **c. Affordability**

27 ESAP aligns with the guiding principle of affordability by better  
28 enabling operations, maintenance, and inspections of utility  
29 infrastructure by providing better access, and by proactively identifying  
30 and addressing access road infrastructure vulnerabilities before they  
31 escalate into system failures or emergency repairs, helping to reduce  
32 the upward pressure on rates. A functional access road network is  
33 foundational to efficient mobilization and operational reliability. The

1 work proposed for 2027 through ESAP will support PG&E’s frontline  
2 crews in day-to-day work for years to come. Additionally, access road  
3 maintenance in and around the DCPD property will support operations  
4 and emergency response by ensuring safe access into or out of the  
5 plant.

6 Investing in a proactive, enterprise roads program such as ESAP  
7 translates to a net benefit to ratepayers by reducing operational costs for  
8 mobilizations for routine inspections and maintenance as well as  
9 ensuring reliable access during emergency response scenarios. For  
10 example, work already completed by ESAP in maintaining and restoring  
11 access roads elsewhere in the service territory has enabled crews to  
12 drive to towers that were previously accessible only by helicopter or on  
13 foot.

14 PG&E estimates that this program provides \$2.3 million in savings,  
15 as supported in the Chapter 7 workpaper titled “Enterprise Safe Access  
16 Program – Quantitative Affordability Analysis”.

17 **d. No Double Recovery in Rates**

18 The costs associated with this program are not being sought for  
19 recovery in any other rate case proceeding.

20 **11. Lone Worker Safety Program (\$2.92 million)**

21 **a. Program Description**

22 Lone Worker(s) refers to individuals working alone and crews or  
23 project teams working in remote areas with limited communication  
24 options. Risks while responding to scheduled, planned staged outage  
25 response, and emergency activities include limited or no method of  
26 communications during unplanned or emergency events such as  
27 extreme weather (heat illness/hypothermia exposure), limited job site  
28 access or egress, and/or physical violence (e.g., political unrest, criminal  
29 activity).

30 On February 18, 2024, a PG&E coworker working alone was  
31 seriously injured while responding to an outage in a remote location.  
32 The severity of the injuries was exacerbated by the coworker not being  
33 able to establish contact with emergency response personnel. The

1 prolonged traumatic exposure resulted in life altering tissue and organ  
2 damage. This coworker's life was changed forever.

3 As an immediate follow up measure, PG&E Electric Dispatch &  
4 Scheduling established the Working Alone Tactical Communication Hub  
5 Desk in support of PG&E's Lone Workers Safety Standard  
6 (SAFE-1039S). This team focused their efforts on supporting  
7 coworkers' visibility in PG&E's Service Suite and Outage Applications,  
8 and established timing for checking in with coworkers whose job-site en  
9 route times exceeded their estimated time of arrival, as well as those  
10 whose onsite times exceeded two hours.

11 In 2025, after a pilot and enterprise communications device  
12 consolidation effort, the Enterprise Health and Safety organization  
13 entered into a multi-year agreement with a vendor that provides Garmin  
14 In-Reach devices, executes device management, provides access to a  
15 web-based application for monitoring, and maintains the programming  
16 and software. Currently, over 4,400 devices have been deployed. This  
17 program has not received GRC funding and was not included in the  
18 2027 GRC; thus, PG&E is seeking VPF funding. This program is  
19 aligned with Section 712.8(s)(1) critical public purpose priorities as  
20 described below.

21 For 2027 the annual service cost will be \$2.92 million dollars.

22 **b. Section 712.8(s)(1) Public Purpose Priority**

23 This program supports Section 712.8(s)(1) subsection (D),  
24 Workforce and customer safety, and Section 712.8(s)(1) subsection (F),  
25 Increasing resiliency and reducing operational and system risk, by  
26 preventing serious incidents before they escalate and reducing  
27 operational impacts.

28 **c. Affordability**

29 This program supports affordability as a guiding principle through  
30 reducing the risk of a coworker serious injury or fatality and the  
31 possibility of work delays. By implementing this program, PG&E can  
32 reduce the impact of asset emergencies on the public and workforce,  
33 including financial impact.

1 The U.S. Department of Transportation (DOT) provides guidance on  
2 the value of preventing of fatalities and injuries through estimating the  
3 Value of a Statistical Life (VSL) as the monetary value of reducing the  
4 risk of a fatality.<sup>20</sup> VSL guidance includes a base cost (in 2012 dollars)  
5 of \$9.1 million with a range of ±40 percent. Non-fatal injuries are valued  
6 in VSL fractions where serious injuries are ~10.5 percent of VSL and  
7 critical injuries are ~59.3 percent of VSL. By reducing the likelihood and  
8 severity of injuries, these avoided societal costs translate into  
9 meaningful affordability benefits for customers, as preventing high-cost  
10 incidents helps limit upward pressure on rates.

11 **d. No Double Recovery in Rates**

12 The costs associated with this program are not being sought for  
13 recovery in any other rate case proceeding.

14 **12. Performance Playbook (\$4 million – \$5 million)**

15 **a. Program Description**

16 Through the Lean Operating System Implementation, PG&E is able  
17 to reduce obstacles and challenges in efficiently performing day-to-day  
18 work and deliver better outcomes that provide higher quality, lower cost,  
19 and shorter lead time for customers. Specifically, the Lean Performance  
20 Playbook will deploy additional expert internal and external resources to  
21 further assess and align current internal systems, processes, and  
22 standards to further enable higher quality visual management, problem  
23 solving, standard work, and waste elimination at the executive level  
24 down to middle management to enable better decision making and  
25 operating system. In addition, Performance Playbook will build and  
26 further refine PG&E's Lean assessment program to evaluate and drive  
27 lean compliance at the programmatic level for all functional areas.  
28 Performance Playbook will advance PG&E's business system toward  
29 first quartile Enterprise Lean Maturity by developing new leadership  
30 capabilities, strengthening Lean performance assessments, and

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20 DOT VSL Guidance – 2021 Update, available at:  
<<https://www.transportation.gov/resources/value-of-a-statistical-life-guidance>>

1 implementing change management practices that enhance quality,  
2 delivery, and overall value for customers.

3 **b. Section 712.8(s)(1) Public Purpose Priority**

4 This program supports Section 712.8(s)(1) subsection (A),  
5 Accelerating customer and generator interconnections, by reducing  
6 obstacles and challenges in efficiently performing day-to-day work.  
7 PG&E was able to drive improvements within new customer connection  
8 process, which reduces backlog of work in process for designs,  
9 completion of engineering designs, decreasing end-to-end lead time.  
10 Performance Playbook will continue to evolve PG&E's lean progression  
11 by building business systems to deliver first quartile enterprise lean  
12 maturity.

13 **c. Affordability**

14 Affordability is a guiding principle in how PG&E designs and  
15 executes work. The Lean Operating System provides the foundation for  
16 delivering work efficiency by improving how work is planned, executed,  
17 and continuously improved in frontline and back-office functions through  
18 problem solving, waste elimination, standardization of work and visual  
19 management. The additional resources provided by Performance  
20 Playbook will further strengthen leadership's ability to deliver  
21 line-of-sight savings by reducing operating costs and improving the  
22 planning and execution of projects and programs across all levels of the  
23 organization.

24 **d. No Double Recovery in Rates**

25 The costs associated with this program are not being sought for  
26 recovery in any other rate case proceeding.

27 **13. Workforce and Customer Safety and Education Enhancements**  
28 **(\$6 million - \$12 million)**

29 **a. Program Description**

30 Workforce and Customer Safety and Education Enhancements  
31 encompass security and educational initiatives designed to protect  
32 employees and to equip customers and communities with essential  
33 knowledge about critical safety and environmental issues.

1           These programs combine elements of security, situational  
2 awareness, structured planning, and risk evaluation to reduce exposure  
3 to potential threats, ensuring that safety measures remain appropriate,  
4 scalable, and responsive across both workplace and public  
5 environments.

6           These programs also contribute to broader organizational  
7 preparedness efforts, including creating training pipelines and upgrading  
8 security infrastructure to boost protection capabilities. The  
9 organization's scope also covers the facilities involved in operations,  
10 along with any security enhancements needed to maintain a safe and  
11 resilient environment.

12           PG&E will invest in utility-focused communication and education  
13 efforts to help communities better understand wildfire risks, climate  
14 change impacts, public safety, and long-term affordability.

15 **b. Section 712.8(s)(1) Public Purpose Priority**

16           This program supports Section 712.8(s)(1) subsection (D),  
17 Workforce and customer safety, and Section 712.8(s)(1) subsection (E),  
18 Communications and education, by reducing the likelihood of disruptive  
19 incidents in offices, events, and public-facing environments, creating a  
20 safer atmosphere for employees to do their jobs and for customers to  
21 engage with the organization confidently. Proactive planning—such as  
22 site assessments, coordinated responses, and clear protocols—helps  
23 prevent hazards before they escalate, while visible, trained security  
24 personnel provide reassurance and rapid intervention when needed.  
25 Collectively, these efforts build a more secure, stable environment that  
26 protects people, supports business continuity, and reinforces trust.

27 **c. Affordability**

28           This work directly supports affordability as a core principle.  
29 A resilient and well-coordinated program reduces the likelihood of costly  
30 incidents, minimizes unplanned disruptions, and ensures resources are  
31 deployed in a targeted, risk-based way.

1           **d. No Double Recovery in Rates**

2           The costs associated with this program are not being sought for  
3           recovery in any other rate case proceeding.

4           **14. PG&E Contingency Uses (\$0 – \$50 million)**

5           PG&E acknowledges the potential for earning less than the forecasted  
6           amount of VPF in 2027 depending on DCPD's actual generation. PG&E  
7           accounts for this possibility in this application by not earmarking 100 percent  
8           of the VPFs for pre-defined uses, but by reserving some as contingency for  
9           key safety and risk programs, as well as applying the funds to DCPD  
10          operating costs.

11          **a. Usage for Safety and Risk**

12          These contingency funds, if earned, will be used for any unforeseen  
13          key critical risk and safety work that falls within one or multiple of the  
14          below MWCs and that exceed imputed GRC authorized amounts for  
15          2027. These categories include areas where emerging needs may  
16          occur, such as in response to storm or wind events, landslides, or other  
17          unanticipated operational conditions. Each category satisfies at least  
18          one if not more of the six public purpose categories in Section  
19          712.8(s)(1).

20          PG&E plans to apply VPFs to a safety & risk contingency program  
21          only if the MWC and MAT code of the program are above authorized  
22          imputed amounts, with the exclusion of balancing accounts that involve  
23          the return of unused funds to customers.

24          Applying VPFs to these safety & risk programs supports affordability  
25          as a guiding principle by using the VPF funds to accelerate critical or  
26          emergency work under the Pub. Util. Code Section 712.8(s)(1) public  
27          purpose priorities that could potentially otherwise have caused upward  
28          rate pressure. In addition, these programs are intended to be deployed  
29          toward safety and reliability needs, identifying critical issues on PG&E's  
30          system, enhance system resilience, help avoid prolonged outages, and  
31          prevent catastrophic wildfires.

32          A table summary of each MWC is provided below, with additional  
33          information provided following the table.

**TABLE 7-4  
SAFETY AND RISK CONTINGENCY PROGRAMS**

Line No.	MWC	Name	Description	Section 712.8(s)(1) Public Purpose Priority
1	BH, DD	Electric Distribution Routine Emergency	Corrective Maintenance Expense includes activities related to the repair or replacement expense related to electric distribution infrastructure in response to an outage to customers or an unsafe condition requiring immediate response and standby. This also includes the switching of the system's configuration in response to OH and underground outages occurring under Level 1 conditions. This switching occurs in order to make the situation safe, restore power to as many customers as possible, and isolate the trouble location so repairs can be made.	(D)
2	AR, DD, EY, IU and HY	Field Metering	This work is strongly tied to safety, reliability, and maintenance because it supports the proper functioning of PG&E's metering infrastructure, which is essential for reliably delivering timely and accurate customer billing; rebuilding trust with customers and local communities through consistence, high-quality service; completing customer-requested field metering work and SmartMeter maintenance activities; providing customers with accurate and timely bills; and avoiding compliance issues.	(A) (D) (F)
4	GA	E T&D Maintenance OH Poles	Maintain OH Electric Poles involves activities to assess the condition of the lower half of poles and to preserve the poles' wood strength. This MWC focuses on inspecting, and as appropriate, testing and treating all 2.3 million distribution poles in PG&E's system in a continuous 10-year cycle in compliance with CPUC regulations. This MWC includes performing a combination of tests on every pole in the system. Where the pole condition warrants reinforcement, the pole is restored to its original strength, extending the pole's serviceable life.	(D) (F)
5	BA	Electric Distribution Operating Activities	Electric Distribution Operating Activities include distribution control center and field operations, including work performed by distribution system operators, troublemen, electricians, and electric crews. This work includes operating switches to transfer load between circuits, isolating customers or de-energizing sections of line during construction or maintenance and reconfiguring circuits to mitigate problem situations.	(A) (D) (F)
6	BF	Inspections	Patrolling and inspecting OH facilities and underground facilities; infrared inspecting OH facilities; inspecting and testing OH and underground line equipment; inspecting network transformers; performing special patrols; and other work associated with maintenance such as the cost of implementing mobile technology.	(D) (F)

**b. Usage for DCPD Operating Costs**

To the extent PG&E determines the expenditures for the above-described categories is not needed, or that the VPFs should otherwise be spent on operational costs of DCPD, PG&E will use its direction to apply the VPFs to reduce DCPD operational costs for all customers. In the event that DCPD costs exceed 115 percent of approved forecast costs, then D.23-12-036 requires that VPF funds be used to offset costs over 115 percent of the approved forecast.

**E. Recorded and Authorized Spending: 2020 to 2025**

Pursuant to D.25-06-002,<sup>21</sup> below is a list of all the individual MWCs in which the MAT codes for the proposed VPF programs are located, showing total expense spending and authorized imputed amounts from 2020-2025.

Many MWCs comprise multiple organizations (i.e., Electric Distribution, Customer Care, Gas Transmission & Storage, Gas Distribution, Information & Technology, etc). The numbers shown in the tables below are the total MWC amounts for O&M Expense.

These MWC expense amounts were shared via PG&E’s discovery portal on July 30, 2025 as part of GRC-2027-Phi\_DR\_ED\_Oral001-Q001Atch01.<sup>22</sup>

**TABLE 7-5  
2020-2025 TOTAL RECORDED MWC EXPENSES  
(MILLIONS)**

Line No.	MWC	2020	2021	2022	2023	2024	2025
1	AB	\$176.90	\$154.45	\$119.13	\$155.37	\$211.24	\$198.83
2	AR	\$9.73	\$8.22	\$9.19	\$8.13	\$7.04	\$6.52
3	AX	\$28.00	\$29.79	\$21.95	\$29.90	\$35.93	\$41.98
4	BA	\$30.02	\$30.79	\$25.33	\$21.93	\$22.64	\$20.60
5	BF	\$162.40	\$158.40	\$155.20	\$149.93	\$129.55	\$118.52
6	BH*	\$67.32	\$79.39	\$93.27	\$109.20	\$127.11	\$113.48
7	CG	—	—	—	—	—	—
8	DD	\$73.81	\$73.38	\$81.42	\$85.23	\$80.78	\$89.43
9	EY	\$7.61	\$7.55	\$7.41	\$9.68	\$10.34	\$10.12
10	GA	\$33.28	\$36.37	\$43.21	\$49.94	\$27.27	\$9.46
11	GC	\$51.10	\$50.60	\$54.03	\$50.72	\$50.54	\$53.92
12	HY	\$10.91	\$9.37	\$8.05	\$5.72	\$5.49	\$6.05
13	IG	\$579.25	\$936.37	\$1,059.74	\$441.63	\$465.06	\$476.24
14	IU	\$16.05	\$13.40	\$11.10	\$8.87	\$9.11	\$9.49
15	JV	\$377.20	\$363.64	\$368.06	\$384.69	\$396.99	\$398.89
16	KH	\$23.09	\$20.78	\$21.41	\$24.44	\$24.43	\$27.59
17	KI	\$9.08	\$10.40	\$9.86	\$13.59	\$12.42	\$17.38

Note: BH expenses reflected in this table do not include EPSS.

<sup>21</sup> D.25-06-002, p. 42, OP 2.

<sup>22</sup> Please see hyperlinks to GRC-2027-Phi\_DR\_ED\_Oral001-Q001\_837026.pdf at <https://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=837026>; and GRC-2027-Phi\_DR\_ED\_Oral001-Q001\_837026Atch01\_837027.xlsx at <https://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=837027>.

**TABLE 7-6**  
**2020-2025 TOTAL GRC/RATE CASE AUTHORIZED IMPUTED BY MWC**  
**(MILLIONS)**

Line No.	MWC	2020	2021	2022	2023	2024	2025
1	AB	\$113.72	\$117.07	\$119.94	\$646.81	\$652.81	\$662.42
2	AR	\$11.15	\$11.55	\$11.61	\$10.26	\$10.69	\$11.14
3	AX	\$23.69	\$24.29	\$24.59	\$30.57	\$30.95	\$31.45
4	BA	\$21.34	\$21.99	\$22.00	\$32.07	\$33.05	\$34.08
5	BF	\$33.09	\$33.97	\$34.16	\$87.15	\$87.28	\$87.72
6	BH*	\$57.36	\$57.36	\$78.38	\$78.38	\$67.32	\$79.72
7	CG	—	—	—	—	—	—
8	DD	\$64.64	\$66.61	\$66.66	\$82.37	\$85.18	\$88.12
9	EY	\$8.80	\$9.06	\$9.08	\$9.38	\$9.42	\$9.50
10	GA	\$13.58	\$13.93	\$14.22	\$44.15	\$43.92	\$43.88
11	GC	\$29.12	\$29.89	\$30.08	\$54.76	\$55.49	\$56.37
12	HY	\$8.72	\$8.96	\$9.03	\$8.30	\$8.56	\$8.84
13	IG	\$5.25	\$5.40	\$5.43	\$314.55	\$314.06	\$314.81
14	IU	\$21.09	\$21.71	\$21.87	\$14.33	\$14.74	\$15.17
15	JV	\$364.82	\$373.79	\$379.42	\$471.10	\$480.85	\$491.40
16	KH	\$21.40	\$21.98	\$22.16	\$24.47	\$24.99	\$25.58
17	KI	\$8.86	\$9.08	\$9.19	\$15.36	\$15.59	\$15.86

Note: BH Authorized Imputed amounts reflected in this table do not include EPSS