

DOCKET NO: A2603031

EXHIBIT NO: WEM-2

DATE:

WITNESS: JEAN MERRIGAN

WEM Exhibit 2

PG&E Response to WEM Data Request 3, Questions 1-3 re: CAISO Market Revenues Issue
(Scoped Issue 1(d))

**PACIFIC GAS AND ELECTRIC COMPANY
DCPP Extended Operations 2027 Forecast
Application 26-03-031
Data Response**

PG&E Data Request No.:	WEM_003-Q001
PG&E File Name:	DCPP-ExtendedOperations2027-Forecast_DR_WEM_003-Q001
Request Date:	August 18, 2026
Requester DR No.:	003
Requesting Party:	Women's Energy Matters
Requester:	Jean Merrigan
Date Sent:	September 1, 2026
PG&E Witness(es):	George Clavier – Energy Policy & Procurement

QUESTION 001

Does PG&E dispute any of the facts in Table WEM-1 of the Testimony of Jean Merrigan? If so, please provide details.

ANSWER 001

PG&E concurs with the numbers shown on WEM-1,¹ with the exception of row 2 where the correct number is \$624,249,000 instead of \$624,248,000 and the bottom row where the number should be \$750,559,000 instead of \$750,550,000.

¹ PG&E notes that the table uses different levels of precision for each figure. For example, row 4 is correctly rounded to the nearest tenth of a million, though the cross referenced source to Table WEM-1 includes PG&E's response to TURN Data Request Set 2, Question 5, whereby the figure to the nearest thousand can be found to be \$460,256,000.

**PACIFIC GAS AND ELECTRIC COMPANY
DCPP Extended Operations 2027 Forecast
Application 26-03-031
Data Response**

PG&E Data Request No.:	WEM_003-Q002
PG&E File Name:	DCPP-ExtendedOperations2027-Forecast_DR_WEM_003-Q002
Request Date:	August 18, 2026
Requester DR No.:	003
Requesting Party:	Women's Energy Matters
Requester:	Jean Merrigan
Date Sent:	September 1, 2026
PG&E Witness(es):	Ryan Stanley – Finance

QUESTION 002

Is the \$460,256 million recorded actuals figure for the 2025 record period a final figure of DCNPP CAISO market revenues for 2025? If not, what is the current recorded actuals figure, and is that figure a final figure?

ANSWER 002

Yes, \$460.256 million¹ is the recorded actuals final figure of the DCNPP CAISO market revenues for the 2025 DCP Extended Operations Forecast, which spanned a period of more than a year. These amounts consisted of actual recorded amounts from November 3, 2024 through December 31, 2025 as Diablo Canyon Power Plant Unit 1 entered into extended operations on November 3, 2024.

¹ PG&E interprets the intent of the question to indicate a figure of millions but not billions of dollars and has corrected the punctuation in the response only.

**PACIFIC GAS AND ELECTRIC COMPANY
DCPP Extended Operations 2027 Forecast
Application 26-03-031
Data Response**

PG&E Data Request No.:	WEM_003-Q003
PG&E File Name:	DCPP-ExtendedOperations2027-Forecast_DR_WEM_003-Q003
Request Date:	August 18, 2026
Requester DR No.:	003
Requesting Party:	Women's Energy Matters
Requester:	Jean Merrigan
Date Sent:	September 1, 2026
PG&E Witness(es):	Donna Barry – Energy Policy & Procurement

QUESTION 003

D2412033 approved a revenue requirement of \$723 million for the 2025 record period, based in part on PG&E's incorrect estimate of CAISO market revenues. Please describe how PG&E will collect from ratepayers—or already has collected from ratepayers -- the difference between its estimate of CAISO market revenues for the 2025 record period and the true CAISO market revenues for the 2025 record period. Please include in your response a description of the CPUC's regulatory processes involved in approving the change.

ANSWER 003

The Diablo Canyon Nonbypassable Charge (DCNBC) rates set for 2026 included amortization of the expected end-of-year DCEOBA balance for 2025, which had recorded actuals through November and a forecast for December. The 2025 end-of-year balance was approximately \$38 million and is being amortized in 2026 rates.

Aside from the variance in CAISO market revenues, which is based on the Commission-authorized Power Charge Indifference Adjustment energy index benchmark forecast methodology and actual market revenues, there was also a variance in the RA substitution costs, which on an actual basis came in lower than authorized. The lower costs created excess billed revenue headroom, which offset some of the CAISO market revenue shortfall.

A summary reconciliation of the 2023-2025 recorded balancing account activity is shown in the Table below:

Line No.	2023-2025 Activity	Actual Net Cost	Authorized Net Cost	Variance
1	Total Cost w / low er RA Substitution costs	\$1,233,205,089	\$1,192,686,250	\$40,518,839
2	RA Substitution Adj (low er than original authorized)		\$132,695,992	(\$132,695,992)
3	CAISO Revenues	(\$452,248,472)	(\$624,248,360)	\$171,999,888
4 = 1 + 2 +3	Net RRQ	\$780,956,617	\$701,133,882	\$79,822,735
		Actual	Authorized	Variance
5	Billed Revenues	(\$742,990,653)	(\$701,133,882)	(\$41,856,771)
6 = 4 + 5	Ending Balance = Net RRQ + Billed Revenue	\$37,965,965	\$0	\$37,965,965