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PACIFIC GAS AND ELECTRIC COMPANY

**2027 ENERGY RESOURCE RECOVERY ACCOUNT AND GENERATION
NON-BYPASSABLE CHARGES FORECAST AND GREENHOUSE GAS
FORECAST REVENUE RETURN AND RECONCILIATION**

REBUTTAL TESTIMONY

PUBLIC VERSION



PACIFIC GAS AND ELECTRIC COMPANY
 2027 ENERGY RESOURCE RECOVERY ACCOUNT AND GENERATION
 NON-BYPASSABLE CHARGES FORECAST AND GREENHOUSE GAS FORECAST
 REVENUE RETURN AND RECONCILIATION
 REBUTTAL TESTIMONY

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CHAPTER 1

INTRODUCTION

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A. Introduction

In this Rebuttal Testimony, Pacific Gas and Electric Company (PG&E) responds to the prepared direct testimony of Ryan Matley served on August 27, 2026 on behalf of the California Community Choice Association (CalCCA) addressing the proceeding relating to PG&E's 2027 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (2027 ERRRA Forecast Application or Application). This Rebuttal Testimony follows PG&E's May 15, 2026 testimony served in support of its 2027 ERRRA Forecast Application, subsequently followed by errata to that testimony on July 17, 2026 and Supplemental Testimony served on July 29, 2026 (collectively referred to as Prepared Testimony).

CalCCA's testimony focuses principally on issues affecting the Power Charge Indifference Adjustment (PCIA) and Portfolio Allocation Balancing Account (PABA), including PG&E's load forecast, Resource Adequacy (RA) valuation, Renewable Portfolio Standard (RPS) accounting, interim General Rate Case (GRC) revenue requirements, and forecast year-end balancing account balances.¹ CalCCA recommends that the California Public Utilities Commission (Commission) modify PG&E's Slice-of-Day (SoD) treatment of non-storage resources, require PG&E to prioritize certain Unsold RPS volumes ahead of Pre-2019 Banked Renewable Energy Credits (REC), revisit the Community Choice Aggregator (CCA) load-forecast meet-and-confer process in the PCIA Order Instituting Rulemaking, comprehensively reflect Decision (D.) 26-07-008 in any RA valuation changes, and authorize the inclusion of any approved interim 2027 GRC Electric Generation revenue requirement in final 2027 PCIA rates. CalCCA estimates that its quantified SoD

¹ Prepared Direct Testimony of Ryan Matley on Behalf of CalCCA in PG&E's 2027 ERRRA Forecast Proceeding (CalCCA Direct Testimony), served August 27, 2026, pp. 1-3.

1 and REC recommendations would reduce the PCIA revenue requirement by
2 approximately \$187.7 million before other adjustments that it did not quantify.²

3 PG&E responds to the CalCCA issues that require clarification, correction,
4 or substantive rebuttal in this proceeding. As explained in Chapters 2 through 5,
5 PG&E's forecasts and methodologies are grounded in applicable Commission
6 direction, established forecasting and ratemaking practices, and the best
7 information available at the time of filing. PG&E has corrected identified errors
8 through errata, continues to refine its forecasts as more current information
9 becomes available, and will incorporate appropriate updates in its Fall Update.
10 At the same time, certain broader policy questions raised by CalCCA are more
11 appropriately considered in the Commission proceedings already addressing
12 those issues.

13 Chapter 2 of this Rebuttal Testimony responds to CalCCA's criticisms of
14 PG&E's load forecasting methodology, including the treatment of data center
15 load. CalCCA contends that PG&E's data center forecast may overstate load
16 and create PCIA rate volatility, and recommends that the Commission consider
17 reforms to the meet-and-confer process in the ongoing PCIA rulemaking.³
18 PG&E explains that its forecasting approaches are reasonable given the
19 available information, that PG&E solicits and considers CCA forecast information
20 through the meet-and-confer process, and that its Fall Update will refresh the
21 sales forecast, including the data center forecast, using the latest available
22 information.

23 Chapter 3 addresses CalCCA's challenge to PG&E's SoD RA valuation
24 methodology for non-storage intermittent resources and CalCCA's assertion that
25 PG&E should more comprehensively implement D.26-07-008.⁴ PG&E explains
26 that CalCCA's proposal would create inconsistencies between retained RA
27 quantities and market price benchmarks, potentially overstating the value of
28 certain resources, particularly battery storage and intermittent resources. PG&E
29 demonstrates that CalCCA's proposal would selectively modify retained RA
30 quantities without corresponding adjustments to market price benchmarks,

2 CalCCA Direct Testimony, pp. 2-3 & Table RAM-1.

3 CalCCA Direct Testimony, pp. 27-32.

4 CalCCA Direct Testimony, pp. 10-23.

1 resulting in an internally inconsistent valuation framework. PG&E explains its
2 revised methodology more accurately reflects market conditions, resource
3 attributes, and applicable Commission direction and therefore urges the
4 Commission to reject CalCCA's proposed alternative.

5 Chapter 4 addresses CalCCA's recommendations regarding Unsold RECs
6 and Pre-2019 Banked RECs.⁵ PG&E explains that, while it now expects to use
7 Unsold RECs to help satisfy its Compliance Period 5 RPS obligations, that
8 outcome is driven by PG&E's expected RPS position and existing RPS
9 compliance requirements which do not enable those RECs to be banked, rather
10 than the rationale advanced by CalCCA. PG&E clarifies how Unsold RECs
11 should be accounted for and valued when used for compliance purposes,
12 distinguishes Unsold RECs from those RECs that were forecast to be retained,
13 and explains why its revised treatment reflects current compliance realities
14 without endorsing CalCCA's broader policy recommendations.

15 Chapter 5 responds to CalCCA's testimony concerning PCIA revenue
16 requirements, potential incorporation of an authorized interim 2027 GRC
17 revenue requirement, identified calculation errors, and forecasted year-end 2026
18 PABA and ERRA balances.⁶ PG&E explains the extent to which it agrees with
19 CalCCA, confirms that identified errors were addressed through errata, and
20 clarifies that the Fall Update will use more recent recorded information and
21 updated forecasts. PG&E further explains why differences between the
22 forecasts presented in PG&E's Prepared Testimony and CalCCA's later analysis
23 do not establish a deficiency in PG&E's forecasting process.

24 In summary, PG&E shows that its proposals appropriately reflect
25 Commission directives, established forecasting practices, and the best
26 information available at the time of filing. Where appropriate, PG&E will
27 continue to update its forecasts through its Fall Update to incorporate more
28 recent information. Accordingly, the Commission should approve PG&E's
29 forecasts and methodologies, as updated in this rebuttal to reflect the Unsold
30 REC retention required by RPS compliance rules, for the purposes of
31 establishing 2027 rates.

5 CalCCA Direct Testimony, pp. 23-26.

6 CalCCA Direct Testimony, pp. 32-40.

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CHAPTER 2

LOAD FORECASTS

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CHAPTER 2
LOAD FORECASTS

A. Load Forecast

**1. Meet and Confer Interactions Concerning Data Center Load
Forecasting**

Q 1 Please state your name and title.

A 1 My name is Jorge Meraz, and I am a Principal Quantitative Analyst in the System Planning group within the Energy Policy and Procurement organization. I sponsored Chapter 2, Sections A.1.c, A.2.a, A.2.e and B of the Prepared Testimony. My witness qualifications were included in Appendix A of PG&E's Prepared Testimony served on May 15, 2026, to accompany the 2027 Energy Resource Recovery Account (ERRA) Forecast Application (hereinafter, the Prepared Testimony).¹

Q 2 What is the purpose of your testimony?

A 2 I am responding to the testimony of Mr. Matley, on behalf of California Community Choice Association (CalCCA), that raises concerns regarding the annual meet and confer interactions concerning, among other things, data center load forecasting as included in Pacific Gas and Electric Company's (PG&E) overall load forecast.

Q 3 Does CalCCA make any recommendations concerning the annual meet and confer interactions and load forecasting process that are actionable in this proceeding?

A 3 No, CalCCA does not appear to contest PG&E's load forecast. Rather, CalCCA makes recommendations for reform to the annual meet and confer process to be conducted outside of this proceeding.

Q 4 For the 2027 ERRA Forecast proceeding, have individual Community Choice Aggregators (CCAs) raised any concerns regarding data center load forecasting and, in general, the overall meet and confer process?

¹ Application (A.) 26-05-007, *Application of PG&E for adoption of Electric Revenue Requirements and Rates Associated with its 2027 ERRA and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation*.

1 A 4 No, CalCCA's testimony's description of the current state of data center
2 forecasting and the overall meet and confer process does not reflect the
3 engagement that PG&E has with all of its CCA parties.

4 Q 5 Please describe PG&E's approach to the current annual load forecasting
5 meet and confer process.

6 A 5 PG&E starts the annual meet and confer periods (Spring and Fall) by
7 soliciting information (e.g., forecasted load, underlying assumptions) from all
8 12 CCAs serving load in PG&E's service territory. The goal of the meet and
9 confer process is to discover if there are major differences (e.g., missing
10 customers, incomplete historical data, missing expansions, etc.) between
11 PG&E's and CCAs' aggregate forecasted load. If there are significant
12 differences in methodologies or underlying data, PG&E offers to meet with
13 those CCAs whose forecasts differ to better understand their respective
14 forecasting approaches.

15 Q 6 You have established that PG&E solicits forecast information from all
16 12 CCAs serving load in PG&E's territory. In its testimony, CalCCA says
17 that PG&E:

18 Does not use input from the CCA that might serve the prospective data
19 center, nor from the municipality or authority having jurisdiction for the
20 area in which the data center will be located.²

21 Does PG&E solicit input from CCAs with prospective data center load?

22 A 6 Yes, through the meet and confer interactions, PG&E submits a data
23 request to all CCAs soliciting information regarding their forecasted data
24 center load and underlying data center forecasting methodologies. PG&E
25 requested this information from all 12 CCAs by February 1, 2026.

26 Q 7 Does PG&E assume that new data center load in a CCA service territory will
27 be served by that CCA?

28 A 7 Yes. However, PG&E does not make this presumption in a siloed manner.
29 PG&E's presumption aligns with CalCCA's own positions in other
30 proceedings. For example, in CalCCA's testimony in PG&E's 2026 ERRAs
31 Forecast, CalCCA stated that "*CalCCA agrees with PG&E's assumption that*

² Prepared Direct Testimony of Ryan Matley on behalf of CalCCA in PG&E's 2027 ERRAs Forecast Proceeding (CalCCA Direct Testimony), served August 27, 2026, page 30, lines 3-5.

1 *new data center load located in CCA service territory will default to CCA*
2 *service unless the customer opts out.”*³ Additionally, in PG&E’s Rule 30
3 proceeding, CalCCA took the position that CCAs are considered the default
4 provider of generation service in a testimony section titled “*CCAS SERVE*
5 *AS THE DEFAULT PROVIDERS FOR GENERATION SERVICE FOR ALL*
6 *CUSTOMERS IN THEIR SERVICE AREAS INCLUDING LARGE LOAD*
7 *CUSTOMERS.”*⁴ CalCCA also took this position in recent comments
8 submitted to the California Independent System Operator following a Large
9 Loads Straw Proposal Meeting.⁵ The presumption that new data centers
10 located in a CCA service territory would be served by that CCA is aligned
11 with the meet and confer discussions with individual CCAs concerning the
12 2026 ERRa load forecast.⁶

13 Q 8 Does PG&E use its own data center forecast when PG&E and CCAs are not
14 able to agree on the forecasted load of data centers?

15 A 8 No. There are instances where PG&E uses a CCA’s aggregate forecast
16 (inclusive of data center load) even if the data center forecasts differ. For
17 example, in the 2026 ERRa Forecast Fall Update, PG&E used 2 CCAs’
18 forecasts even though those CCAs had different data center forecasts than
19 PG&E.

20 Q 9 Is there a pathway to resolve differences between PG&E’s forecasted load
21 for a CCA and a CCA’s own forecasted load?

22 A 9 Yes, as described in PG&E’s 2017 ERRa Forecast Application, PG&E uses
23 the annual meet and confer periods to resolve any differences in forecasted

³ A.25-05-011, *Prepared Direct Testimony of Brian Dickman on behalf of The California Community Association in Pacific Gas and Electric Company’s 2026 ERRa Forecast Proceeding*, at page 59, lines 5-6.

⁴ A.24-11-007, *Testimony of the California Community Choice Association*, at page 6, lines 20-22.

⁵ CalCCA, comments on Large Loads Straw Proposal Meeting, in response to the CAISO stakeholder question, “*Please provide your organization’s comments on section B. Framework to prevent cost-shifting,*” submitted 9/02/2026, available through the CAISO Stakeholder Center at [California ISO – All comments](#).

⁶ A.25-05-011, PG&E’s Response to DR CalCCA_006-Q004.

1 load.⁷ In many instances, PG&E uses the majority of CCA forecasts. If a
2 CCA's forecast is not used in the Spring, the Fall Update is used as a venue
3 to discuss and resolve pending differences.

4 Q 10 Does the current meet and confer process require PG&E to use CCAs' load
5 forecasts?

6 A 10 No; however, PG&E routinely uses CCAs' load forecasts for the ERRA
7 Forecast test year if there are no major differences in aggregate forecasted
8 load (e.g., missing customers, incomplete historical data, missing
9 expansions, etc.). If there are significant differences in respective load
10 forecasts and PG&E understands and agrees with what is driving those
11 differences, PG&E may still elect to use a CCA's forecast for the ERRA
12 Forecast test year.

13 Q 11 Of the 12 CCA forecasts from PG&E's 2027 ERRA Forecast Prepared
14 Testimony, how many CCA forecasts did PG&E not incorporate into its load
15 forecasts?

16 A 11 For the 2027 ERRA Forecast Prepared Testimony, PG&E did not use 5 of
17 the 12 CCA forecasts.⁸ For each of the forecasts that were not used, PG&E
18 met with each CCA to understand differences in forecasting methodology
19 and subsequently communicated to those CCAs why the CCA's forecast
20 was not used for the Prepared Testimony. After communicating why PG&E
21 did not use the forecasts, none of the CCAs objected. PG&E treats the
22 annual meet and confer process as a continuous process and will
23 re-evaluate all CCA forecasts for PG&E's ERRA Forecast Fall Update.

24 Q 12 Were any CCA forecasts not used because of differences in data center
25 forecasts?

26 A 12 Yes. Of the 5 forecasts PG&E did not use, data center forecasts were
27 identified as being a driver of difference for 3 of the CCA forecasts. In each
28 of the 3 cases, data center load was either explicitly excluded from the
29 CCA's forecast (when data center load was acknowledged) or the data

⁷ A.16-06-003, *Application of PG&E for adoption of Electric Revenue Requirements and Rates Associated with its 2017 ERRA and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation*, at pages 2-12 through 2-14.

⁸ A.26-05-007, PG&E's Prepared Testimony, at page 2-19, lines 26-30 and page 2-20, lines 1-6.

1 center forecast relied on outdated assumptions/historical application data.
2 In all instances where PG&E did not use a CCA's forecast, PG&E
3 communicated to the respective CCA why the forecasts were not used and
4 each of the CCAs did not communicate an objection to the decision.

5 Q 13 Does PG&E explain its reasoning to the CCA when it chooses to present
6 PG&E's forecast over the CCAs?

7 A 13 Yes. When PG&E does not elect to use a CCA's forecast, PG&E explains
8 its position to the respective CCA through the meet and confer process. In
9 explaining use of PG&E's internal forecast for a CCA, PG&E outlines why it
10 has chosen to use its internal forecast and offers to continue discussions to
11 better align load forecasts in subsequent ERRA Forecast cycles.

12 Q 14 Does the current meet and confer process require PG&E to share relevant
13 information regarding its load forecast?

14 A 14 PG&E understands that "relevant information" refers to underlying load data.
15 Given that understanding, PG&E understands that it is required to make
16 available to CCAs the underlying CCA load data that is used in preparing
17 the CCA-specific load forecasts. This is a requirement under the 2019
18 Resource Adequacy (RA) decision.⁹ PG&E's current data sharing practices
19 with CCAs can also be found under PG&E's Electric Schedule
20 E-CCAINFO.¹⁰ Additionally, through interim Rule 30, PG&E shares
21 customer application data for transmission level facilities within a CCA's
22 service area (e.g., data center facilities).¹¹

23 Q 15 Are the procedures within the ERRA Forecast proceeding's meet and confer
24 process suitable for accommodating forecast accuracy that incorporates
25 CCAs' information on data center load?

⁹ See Decision (D.) 19-06-026, *Decision Adopting Local Capacity Obligations for 2020-2022, Adopting Flexible Capacity Obligations for 2020, and Refining the Resource Adequacy Program*, (July 5, 2019), Finding of Fact 10-11; Conclusion of Law 13-14, Ordering Paragraph 15.

¹⁰ PG&E, Electric Schedule E-CCAINFO: *Information Release to Community Choice Aggregators*, Tariff Sheet No. 32786-E, effective May 13, 2017, available at [ELEC_SCHEDS E-CCAINFO.pdf](#).

¹¹ PG&E, Electric Rule No. 30: *Retail Service Transmission Facilities Interim Implementation*, Tariff Sheet No. 60532-E, effective December 4, 2025, available at [ELEC_RULES_30.pdf](#).

1 A 15 Yes. PG&E believes that the current meet and confer that takes place in
2 ERRR is well suited to address concerns related to forecast accuracy
3 because the PG&E forecast meet and confer is currently the only venue
4 where forecasted loads, including those associated with data centers, are
5 wholistically discussed.

6 Q 16 Does CalCCA provide any actionable recommendations applicable to the
7 2027 load forecast or the ERRR Forecast proceeding?

8 A 16 No, CalCCA says as much when recommending that reforms related to data
9 center forecasting be evaluated and adopted in Track 3 of the Order
10 Instituting Rulemaking to Update and Reform Energy Resource Recovery
11 Account and Power Charge Indifference Adjustment Policies and
12 Processes, Rulemaking (R.) 25-02-005. Given CalCCA's recommended
13 venue for addressing data center load forecasting, PG&E understands that
14 CalCCA has no specific concern or reconciliation approach that is relevant
15 to this proceeding or the load forecast PG&E presented.

16 Q 17 Does this conclude your rebuttal testimony?

17 A 17 Yes, it does.

18 **B. Illustrative Analysis of Power Charge Indifference Adjustment (PCIA) Rate**
19 **Volatility Due to Data Center Load**

20 Q 18 Please state your name and title.

21 A 18 My name is Donna Barry, and I am a Principal Strategic Analyst in the
22 Energy Policy Analysis and Design group within the Energy Policy and
23 Procurement organization. My witness qualifications are included in
24 Appendix A of this Rebuttal Testimony.

25 Q 19 What is the purpose of your testimony?

26 A 19 I am responding to the testimony of Mr. Matley, on behalf of CalCCA that
27 introduced an illustrative analysis of potential PCIA rate impacts when a
28 hypothetical 500 MW data center load does not materialize.¹²

29 Q 20 CalCCA's testimony, Table RAM 6, includes an illustrative example of how a
30 load forecast variance for a hypothetical 500 megawatt (MW) data center
31 can impact PCIA rates. What is PG&E's opinion on the illustrative rate
32 results and CalCCA's assessment of a rate impact when it assumes the

¹² CalCCA Direct Testimony, Section VI, pages 28-29.

1 500 MW data center load is forecast to be served by a CCA but does not
2 materialize verses when the load forecast to be served as a bundled
3 customer and similarly does not materialize?

4 A 20 PG&E has reviewed CalCCA's testimony and the workpaper provided by
5 CalCCA that supports Figure RAM 6 and concludes that the premise of
6 CalCCA's argument is not supported by CalCCA's workpaper analysis,
7 which includes a calculation error when the load was to have been served
8 by a CCA. The premise of CalCCA's argument is that when data center
9 load does not materialize it can create PCIA rate volatility and when that data
10 center load was to have been served by a CCA, the PCIA rate volatility
11 would be materially amplified. PG&E finds that the calculations CalCCA
12 performed in its workpaper to estimate a rate impact assuming 500 MW of
13 data center load does not materialize does not reasonably capture how a
14 change in load assumptions can impact rates. PG&E critiques both
15 CalCCA's argument premise and workpaper analysis in more detail below.

16 Q 21 What does CalCCA contend will occur if PG&E's load forecast of data center
17 load is overstated?

18 A 21 Effectively, the premise in CalCCA's analysis starts with the idea that PG&E
19 has set the PCIA rate too low since the load forecast, in its illustrative
20 calculation, is overstated due to data center load that may not materialize.
21 CalCCA's primary point is that the overestimate in the load forecast, even
22 for a 500 MW customer load, contributes to PCIA rate volatility and if the
23 load forecast was to have been served by CCA, the rate volatility has the
24 potential to be amplified in the CCA service territory vintage where the load
25 was forecast to be served.

26 Q 22 How does PG&E respond to CalCCA's claim that data center load
27 forecasting variances can cause rate volatility?

28 A 22 While CalCCA's premise is not wrong that the load forecast variance can
29 contribute to undercollections or overcollections in the Portfolio Allocation
30 Balancing Account (PABA), the order of magnitude of the impact of actual
31 load verses forecast load on the PCIA rate (which would be realized the
32 following year when the balance in the PABA is amortized in rates) is one of
33 many inputs that can contribute to under- and over-collections in the
34 balancing account.

1 Thus, while the assumptions about a hypothetical 500 MW data center
2 load could impact the rate results if it does not materialize, the net effect of a
3 variance attributable to a load change is one of many elements of the PCIA
4 forecast that change. Variances due to changes in load forecast can be
5 offset by other changes to the portfolio such as cost changes and market
6 revenue changes.

7 Q 23 Does CalCCA's analysis provide meaningful insight on the importance of
8 accepting each CCA's load forecast to ensure PG&E has the most accurate
9 load projections for its rate calculations?

10 A 23 No, although the example does highlight that load variance can impact the
11 rate results, the analysis CalCCA presents has two material errors. The
12 most significant error is in its calculation of the system average rate for a
13 2016 vintage customer under the scenario where the data center load was
14 to have been served by a CCA and the load does not materialize. CalCCA
15 calculates a system average rate of 1.910 cents per kilowatt-hour (kWh)
16 when the average PCIA rates across all classes range between 1.130 and
17 1.710 cents per kWh. CalCCA compares the 1.910 cents per kWh to
18 PG&E's original system average rate for a 2016 vintage customer of 1.549 to
19 arrive at a rate change for the 2016 vintage system average rate
20 0.361 cents per kWh.

21 CalCCA's adjustment of the B20 Primary (P) rate class load subtracts
22 3,942 gigawatt-hour (GWh) of data center load from approximately
23 300.6 GWh of original load forecast resulting in a large negative load for this
24 rate class. The large negative load skews the system average rate results
25 to be higher than it would otherwise be.

26 Table 2-1 below shows a summary of CalCCA's calculation results,
27 which highlights the large negative data center load that technically was not
28 in the original underlying load forecast. The result is an incorrect calculation
29 of the system average rate for Vintage 2016 customers.

**TABLE 2-1
CUMULATIVE PCIA RATES
2016 VINTAGE YEAR (\$/KWH)**

Line No.	Rate Group	(A)	(B)	(C) = (A) x (B)	(D) = (C)/(B)
		PCIA Rate (\$/kWh) Vintage 2016	Load (kWh) Vintage 2016	Sum Product = PCIA Rate x Load	System Average PCIA Rate
1	Residential	\$0.01678	2,800,936,534	\$46,987,384	
2	Small L&P	0.01617	851,659,809	13,770,872	
3	Medium L&P	0.01710	850,503,794	14,540,951	
4	B19/E19	0.01621	1,307,751,877	21,195,505	
5	Streetlights	0.01349	20,475,975	276,170	
6	Standby	0.01130	3,754,699	42,437	
7	Agriculture	0.01568	38,197,583	598,765	
8	B20/E20 T	0.01403	388,043,616	5,466,173	
9	B20/E20 P	0.01433	(3,641,393,976)	(52,185,765)	
10	B20/E20 S	0.01511	159,491,811	2,409,950	
11	System Average	\$0.01910	2,779,421,722	\$53,082,411	\$0.01910

As illustrated in Table 2-1, the 1.91 cent per kWh system average rate is derived by taking the sum product of columns A and B, which multiplies all the class average PCIA rates by the class average load. The negative load in rate class B20 P introduces an error and skews the calculated average rate results such that the system average rate is greater than all of the individual rate schedule average rates. The result is non-sensical.

The negative load introduced by CalCCA when it adjusts the original forecast load by subtracting 3,942 GWh of hypothetical load from rate schedule B20 P skews the results. By introducing a large negative load in the rate calculation for a hypothetical load that was never included in the original forecast, CalCCA's results present an anomalous system average rate calculation for the CCA scenario, Vintage 2016. Similar to vintages 2009 through 2015, if done correctly the vintage 2016 system average rate for the CCA scenario would be similar to the vintage 2016 rate for the bundled scenario.

The second error in CalCCA's analysis is that despite having the same load reduction for vintages 2009 through 2016 in both scenarios where either the data center load is assumed to be served as bundled load or served by a CCA, the rate results and change in rates while close, are not the same.

The consistent load reductions for the two scenarios was 3,942 GWh across all vintages for when the data center load was assumed to be bundled and through vintage 2016 when the data center load was served by a CCA. The difference between the bundled scenario PCIA rate results and the CCA scenario PCIA rate results while small (\$0.00002/kWh) still creates uncertainty in being able to rely on the results presented.

This divergence of the rate results for the two scenarios may be attributable to rounding or may be attributable to how the load adjustment inputs were handled, which in the bundled scenario seems to have been applied to B20 Transmission (T) level rate class. Adjusting the B20 T rate schedule load also results in a large negative load for this rate class, and the adjustment for the bundled scenario was made in a different location in the workpaper analysis – in a total column – rather than in a vintage specific column, as was done for the CCA load. In either event, the divergent results make it difficult to credibly rely on either of the two scenarios' system average rate calculation for decision making. A comparison of the original rate results and CalCCA's calculated rate change for each scenario are presented below in Table 2-2 below, through vintage 2016. PG&E has similar concerns about the system average rate results for vintages 2017 – 2026 given the noted calculation inconsistency and large negative loads that have been introduced.

**TABLE 2-2
CUMULATIVE PCIA RATE FOR VINTAGES 2009-2016 (\$/KWH)**

Original Forecast by PG&E		Proposed PCIA Rates with DWR FF (\$/kWh)							
Rate Group		2009	2010	2011	2012	2013	2014	2015	2016
System Average PCIA Rate by Vintage		0.01193	0.01359	0.01513	0.01551	0.01524	0.01576	0.01550	0.01549
CCA Scenario		CCA Scenario - estimated PCIA Rates with DWR FF (\$/kWh)							
Rate Group		2009	2010	2011	2012	2013	2014	2015	2016
System Average PCIA Rate by Vintage		0.01255	0.01431	0.01593	0.01633	0.01605	0.01660	0.01632	0.01910
Rate Change = Scenario - Original PCIA		0.00063	0.00072	0.00080	0.00082	0.00080	0.00083	0.00082	0.00361
BUNDLED Scenario		Bundled Scenario - estimated PCIA Rates with DWR FF (\$/kWh)							
Rate Group		2009	2010	2011	2012	2013	2014	2015	2016
System Average PCIA Rate by Vintage		0.01254	0.01429	0.01591	0.01631	0.01603	0.01658	0.01630	0.01628
Rate Change = Scenario - Original PCIA		0.00061	0.00070	0.00078	0.00080	0.00079	0.00081	0.00080	0.00080

Q 24 Can you describe any other technical issues with CalCCA's Table RAM 5 and Figure RAM 6?

1 A 24 Yes. PG&E observes that in Table RAM 5, the conversion of the 500 MW
 2 data center at a 90 percent load factor load is incorrectly presented as
 3 approximately 4 GWh. The 500 MW plant at a 90 percent load factor would
 4 contribute 3,942 GWh of load to the forecast, not 4 GWh as represented in
 5 CalCCA's Table RAM 5. Additionally, the original system level load forecast
 6 would be 75,301 GWh, not the 75 GWh reflected in CalCCA's RAM
 7 Table 5. Clearly, this is a labeling error in terms of the units being
 8 respresented, which are not GWh. The data supporting CalCCA's Figure RAM
 9 6 did not reproduce the RAM Table 5 GWh coversion error. The workpaper
 10 conversion of the 500 MW was properly calculated and converted to kWh to
 11 match the rate calculation workpaper template.

12 To remedy CalCCA's Testimony table presentation, PG&E first brings
 13 the initial sales forecast presented in CalCCA's Table RAM 5, Line 1, into
 14 alignment with the workpapers and size of plant CalCCA models in its
 15 illustrative rate calculations. The revised table is presented below.

**TABLE 2-3
 PG&E REVISED RAM-5 TABLE
 HYPOTHETICAL 500 MW DATA CENTER SALES FORECAST ERROR**

Line No.	(GWh)	Forecast	Actual	Difference
1	Total Non-Data Center Sales	75,301	75,301	0
2	Data Center Load (500 MW @ 90% Capacity Factor)	3,942	0	(3,942)
3	Total Load	79,243	75,301	(3,942)

16 Q 25 Does this conclude your rebuttal testimony?

17 A 25 Yes, it does.

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 3
SLICE-OF-DAY RESOURCE ADEQUACY VALUATION
METHODOLOGY

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 3
SLICE-OF-DAY RESOURCE ADEQUACY VALUATION
METHODOLOGY

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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 3**
3 **SLICE-OF-DAY RESOURCE ADEQUACY VALUATION**
4 **METHODOLOGY**

5 **A. Introduction and Summary**

6 Q 1 Please state your name, title, and responsibilities.

7 A 1 My name is Marcus Keller. I am the Director of Portfolio Forecasting and
8 Cost Recovery within the Energy Policy and Procurement organization. In
9 this Rebuttal Testimony I am sponsoring Pacific Gas and Electric
10 Company's (PG&E) response regarding the Slice-of-Day (SoD) Resource
11 Adequacy (RA) Counting Methodology. My witness qualifications are
12 included in Appendix A of this Rebuttal Testimony.

13 Q 2 What is the purpose of your Rebuttal Testimony?

14 A 2 I am responding to the testimony that Mr. Ryan Matley submitted on behalf
15 of the California Community Choice Association (CalCCA) concerning
16 PG&E's valuation of retained RA under the SoD framework. In particular, I
17 address CalCCA's recommendation that PG&E modify its California Public
18 Utilities Commission (Commission)-approved interim retained RA
19 methodology by replacing the peak-hour net qualifying capacity (NQC)
20 quantity for non-energy storage intermittent resources with an average of
21 each month's 24-hourly values, which CalCCA presents as Southern
22 California Edison Company's (SCE) methodology. I also respond to
23 CalCCA's contention that PG&E's planned implementation of Decision
24 (D.) 26-07-008 is incomplete.

25 Q 3 Please summarize PG&E's conclusions and recommendations.

26 A 3 CalCCA's recommendation should be rejected. First, D.25-12-027
27 addressed the interim retained SoD RA methodology for PG&E by explicitly
28 only modifying the treatment of energy storage resources while leaving all
29 remaining elements unmodified, including non-energy storage intermittent
30 resources and PG&E's RA requirement, based on the monthly peak hour
31 values. Second, CalCCA's proposal only seeks to change the retained
32 quantity without addressing their proposal in context of the single RA Market
33 Price Benchmark (MPB). That selective change increases the quantity of

1 RA being retained at what the record shows is primarily a baseload SoD RA
2 resource MPB price. This method would result in PG&E retaining RA
3 capacity even further above PG&E's peak hour requirements, ultimately
4 resulting in an unjustifiable cost shift to the detriment of PG&E's bundled
5 service customers.

6 **B. Scope of D.25-12-027, CalCCA's Proposal, and PG&E Compliance**

7 Q 4 How does CalCCA propose to modify the interim retained SoD methodology
8 adopted in D.25-12-027?

9 A 4 CalCCA acknowledges that the interim retained SoD RA methodology
10 adopted in PG&E's 2026 ERRRA Forecast decision only modified the SoD
11 treatment of energy storage resources while leaving all other aspects based
12 on the current peak hour methodology, but argues that the Commission
13 should now direct PG&E to modify its interim SoD methodology in advance
14 of a more comprehensive decision on implementation of the SoD
15 methodology.¹ Specifically, CalCCA proposes that PG&E use the average
16 of the 24 hourly exceedance values for intermittent resources rather than
17 their contribution during the peak hour because that is the interim
18 methodology that SCE uses for those resources.

19 Q 5 Did CalCCA make a similar proposal for how intermittent renewables should
20 be retained in PG&E's 2026 ERRRA Forecast proceeding?

21 A 5 Yes. On page 30 of CalCCA's Direct Testimony² in PG&E's 2026 ERRRA
22 Forecast, CalCCA proposed that the Commission adopt an "average of their
23 hourly exceedance values" as part of their proposal that the Commission
24 adopt SCE's interim method for PG&E.

25 Q 6 In D.25-12-027 did the Commission direct PG&E to apply SCE's method to
26 intermittent renewable resources?

27 A 6 No. In the decision, the Commission clarified and clearly described that the
28 only modification being adopted for PG&E's interim SoD methodology was
29 SCE's approach to reasonably account for energy storage's lower
30 contribution (e.g., value) under the 24-hour SoD framework given that
31 energy storage is not available at its full NQC value for all 24 hours.

1 D.25-12-027, pp. 37-38.

2 <http://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=842624>.

1 Q 7 How did PG&E implement D.25-12-027?

2 A 7 PG&E made the requisite changes to the energy storage counting rules
3 ordered by the Commission and filed the updated Power Charge
4 Indifference Adjustment (PCIA) rate calculation as part of the 2026 Annual
5 Electric True-Up³ filed on December 30, 2025. In addition, PG&E submitted
6 Advice Letter 7820-E describing in detail the implementation of the energy
7 storage counting methodology in the PCIA indifference calculation to comply
8 with Ordering Paragraph 6 of D.25-12-027. Advice Letter 7820-E was
9 uncontested and disposed of by the Commission on February 25, 2026.

10 **C. CalCCA's Proposed Methodology for Intermittent Resources**

11 Q 8 How does CalCCA's proposal differ from PG&E's approved current
12 approach?

13 A 8 As approved in D.25-12-027, PG&E determines the retained quantity for an
14 intermittent resource based on its RA contribution during each month's peak
15 hour (NQC value). CalCCA proposes that PG&E instead use the average of
16 all 24-hourly exceedance values for intermittent resources. CalCCA's own
17 table shows that this change would increase retained RA for solar
18 photovoltaic from 526 megawatt (MW) to 911 MW, increase solar thermal
19 from 144 MW to 177 MW, and decrease wind from 191 MW to 167 MW.
20 Across the listed resource categories, CalCCA reports a net increase of 394
21 MW of retained RA.

22 Q 9 Does the SoD framework eliminate the relevance of the peak hour?

23 A 9 No. SoD expanded RA compliance to every hour of the worst day instead of
24 just the peak hour, but it does not make the reliability-critical hour (peak
25 hour) irrelevant. The peak hour remains the point at which the capacity
26 requirement is greatest. PG&E's method anchors the retained quantity to
27 the capacity needed to satisfy that requirement, while separately recognizing
28 the distinct operating characteristics of energy storage under the
29 Commission-adopted interim SoD formula. The peak hour also continues to
30 be the basis for how RA market transactions are measured such that the RA

³ PG&E's Tier 1 Advice 7797-E was accepted by the Commission on 01-26-2026 for an effective date of January 1, 2026.

1 MPB reflects a dollar per kilowatt (kW) NQC-month price (\$ per kW
2 NQC-month).

3 Q 10 Does CalCCA's reliance on 24-hour averaging demonstrate that PG&E's
4 peak-hour method is inconsistent with the SoD framework?

5 A 10 No. CalCCA is correct that the SoD framework evaluates RA compliance
6 across 24 hours of the worst day for a given month. That observation,
7 however, does not determine how the resulting hourly capacities should be
8 translated into the single monthly retained RA quantity used for PCIA
9 valuation. For baseload resources, the choice between peak-hour capability
10 and a 24-hour average is irrelevant because the resource provides the same
11 capacity in each hour. For solar resources, the choice is consequential
12 because hourly exceedance values vary materially across the day.
13 CalCCA's averaging proposal treats solar like a baseload resource,
14 increasing the solar quantity receiving benchmark treatment without
15 consideration as to whether that change is equitable in light of the capacity
16 product and resource types that the market and the PCIA benchmark
17 continue to value.

18 Q 11 How is the PCIA RA benchmark currently calculated?

19 A 11 RA transactions continue to be expressed in price per kW NQC (i.e., peak
20 hour RA quantity) terms, rather than as a 24-hour average exceedance
21 product, which is consistent with PG&E's method to use a solar resources'
22 NQC (peak hour) quantity for calculating retained RA value. CalCCA has
23 shown that averaging the 24-hourly exceedance values produces a larger
24 quantity, but it has not established that it is fair to customers to apply the
25 single RA benchmark expressed in NQC terms to that larger, greater than
26 NQC, quantity. Furthermore, the move to SoD does not, by itself, justify
27 replacing the peak-hour quantity used in PG&E's Commission approved
28 interim retained RA valuation methodology.

1 Q 12 What type of resource does the PCIA RA benchmark most likely reflect?

2 A 12 Based on available data, the 2026 Forecast RA MPB of \$138.36 per kW
3 NQC-year is predominantly comprised of baseload SoD RA transactions.⁴

4 Based on similarly available data, PG&E anticipates the 2027 RA MPB will
5 also be primarily comprised of baseload SoD RA transactions.⁵

6 Q 13 Did CalCCA's testimony identify differences in the market value for RA from
7 a solar resource compared to a baseload SoD RA resource?

8 A 13 Yes. On page 19 of CalCCA's Prepared Testimony, CalCCA presents a
9 weighted average price for solar capacity of [REDACTED]
10 compared to [REDACTED] for baseload SoD resources. While
11 PG&E's review of how CalCCA calculated these prices determined that they
12 overstated the annualized price for both resource types,⁶ PG&E agrees with
13 the relative price discount ratio for solar resources compared to baseload
14 SoD resources presented by CalCCA for RA delivered in 2026. This price
15 discount relationship is similarly reflected in available data for 2027, with
16 solar resources receiving an estimated [REDACTED] of baseload SoD RA
17 value.⁷ The same dataset demonstrates an estimated price discount
18 compared to baseload SoD RA resources for energy storage and wind
19 resources with energy storage resources receiving approximately [REDACTED]
20 and wind resources approximately [REDACTED] of baseload SoD RA value for
21 2027.⁷

4 Approximately 3,500 MW NQC for delivery per month in 2026 for Central Procurement Entity (CPE) transactions with deliveries beginning in 2024 or later, almost 100 percent being from baseload SoD resources . <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/cam-allocation/2026-28systemflex-cpe-cam-list.xlsx>. (Link last accessed September 8, 2026).

5 Approximately 3,600 MW NQC for delivery per month in 2026 for CPE transactions with deliveries beginning in 2024 or later, almost 100 percent being from baseload SoD resources. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/cam-allocation/2027-2029-initial-year-ahead-cpe-cam.xlsx>. (Link last accessed September 14, 2026).

6 Given that a majority of transactions and transaction volumes were for July and August, CalCCA's annualized prices are inflated by assuming RA prices in those months are equal to RA prices in other months (e.g. price for RA in August is equal to the price for RA in April).

7 Attachment A, Initial Bid Prices for PG&E's Year-Ahead 2027 RA Solicitation.

1 Q 14 Did CalCCA propose that technology adjusted RA MPBs be applied to
2 different SoD RA resource types?

3 A 14 No. CalCCA only proposed to modify how the quantity of RA to be retained
4 from solar and wind resources be calculated while continuing to apply the
5 RA MPB, which predominantly reflects the market value for a baseload SoD
6 RA resource, to the retained RA quantity for all resource types.

7 Q 15 Given that CalCCA's proposal changes the retained quantity rather than the
8 benchmark price, how should the valuation impact of the proposal be
9 evaluated?

10 A 15 One way is to normalize the retained quantity relative to each resource's
11 peak-hour NQC. This provides a common basis for comparison because
12 the RA MPB is expressed in dollars per kilowatt of NQC. Evaluating
13 retained quantities on a retained MW per MW of peak-hour NQC basis
14 therefore allows different methodologies to be compared in the same units
15 that the RA market uses to determine value.

16 Q 16 Why is peak-hour NQC the appropriate normalization metric?

17 A 16 RA capacity requirements, resource counting rules, and RA market prices
18 continue to be expressed in terms of NQC. Although the SoD framework
19 evaluates reliability contributions across all 24 hours of the worst day of a
20 month, the RA benchmark used in the PCIA methodology continues to
21 reflect a market price quoted in dollars per kW of NQC. As a result,
22 normalizing retained quantities relative to peak-hour NQC provides a
23 consistent means of evaluating whether changes in retained quantities are
24 supported by corresponding differences in market value.

25 Q 17 What does retained MW per MW of peak-hour NQC represent?

26 A 17 Retained MW per MW of peak-hour NQC measures the amount of retained
27 RA quantity attributed to each megawatt of peak-hour NQC. Under PG&E's
28 approved interim methodology, one megawatt of peak-hour NQC generally
29 corresponds to one megawatt of retained RA quantity, resulting in a ratio of
30 1.0. Under CalCCA's proposal, however, the use of 24-hour average
31 exceedance values increases the amount of retained quantity associated
32 with each megawatt of peak-hour NQC for solar resources. CalCCA's own
33 calculations imply approximately 1.62 MW of retained solar quantity for each
34 MW of peak-hour NQC.

1 Q 18 What are the effective RA MPBs for solar resources under CalCCA's
2 proposal compared to the actual and market informed technology-weighted
3 MPBs?

4 A 18 Table 3-1 below presents a comparison for solar resources between the
5 adopted interim SoD methodology for PG&E, CalCCA's proposed
6 modification, and a market informed reference based on pricing data from
7 PG&E's initial 2027 year-ahead RA solicitation presented in Attachment A.

TABLE 3-1
MPB COMPARISON FOR SOLAR RESOURCES

Line No.	Item	Approved Interim SoD	CalCCA Proposal	Market Informed
1	Retained MW per MW of peak hour NQC	1.00	1.62	1.00
2	2026 Forecast RA MPB	\$138.36	\$138.36	\$138.36
3	Technology Factor	1.00	1.00	
4	Effective MPB	\$138.36	\$224.68	

8 While CalCCA based their proposal on the same 2026 RA transaction
9 data for PG&E that showed RA from solar resources being worth
10 significantly less than RA from baseload SoD resources, the effective result
11 is a significant overstatement in RA market value for solar resources
12 reflecting a price of \$224.68 per kW NQC-year compared to the 2026
13 Forecast RA MPB of \$138.36 per kW-year currently applied under the
14 approved interim SoD methodology and [REDACTED] based on
15 actual market transaction data for solar resources compared to baseload
16 SoD resources. A similar disparity, although to a lesser extent, would result
17 for wind resources while market transaction data for energy storage
18 resources indicates that the current interim methodology for energy storage
19 resources still overvalues them compared to baseload SoD resources, but
20 less so than the status quo methodology that was in effect for 2025.

21 Q 19 Is PG&E proposing any modifications to the adopted interim SoD
22 methodology given the different technology price discounts demonstrated in
23 PG&E's RA transaction data?

24 A 19 No. Even though RA market transaction data for 2026 and 2027 indicate
25 that the approved interim SoD RA methodology is not accounting for the
26 different technology types and their respective contributions under the RA

1 program, which could effectively be resulting in a higher RA market value for
2 PG&E's RA portfolio, PG&E agrees with D.25-12-027 that the interim
3 methodology approved for 2026 using peak hour NQC values for
4 non-energy storage resources and SCE's methodology for adjusting energy
5 storage supply should continue 'on an interim basis while awaiting a more
6 comprehensive decision on implementation of the SoD methodology'.

7 Q 20 Has the Commission identified a path forward for developing a
8 comprehensive decision on reforming the retained RA methodology for
9 SoD?

10 A 20 Yes. In Rulemaking (R) 25-02-005 (PCIA Reform order instituting
11 rulemaking), the Commission recently adopted a schedule to address
12 whether additional changes are needed to account for the SoD change in
13 the RA program as part of Track 4 that is expected to begin in 2027. Until
14 those broader reforms are considered, PG&E's currently approved
15 methodology remains a reasonable interim approach.

16 **D. Compliance With D.26-07-008**

17 Q 21 CalCCA contends that PG&E's implementation of D.26-07-008 is
18 incomplete. Does PG&E intend to implement the requirements of
19 D.26-07-008?

20 A 21 Yes. PG&E intends to implement D.26-07-008 to the extent possible and
21 consistent with the timing and requirements established by the Commission.

22 Q 22 Has PG&E identified any aspects of D.26-07-008 that cannot yet be fully
23 implemented?

24 A 22 Yes. Certain aspects of the decision depend on modifications to the RA
25 Market Reference Data and related implementation steps that are outside of
26 PG&E's control and have not yet been completed.

27 **E. Conclusion and Recommendation**

28 Q 23 What should the Commission conclude regarding CalCCA's proposal?

29 A 23 The Commission should reject CalCCA's request to require PG&E to use a
30 24-hour average for retained intermittent-resource RA in this proceeding.
31 D.25-12-027 adopted an interim method for energy storage resources and
32 intentionally did not establish the treatment CalCCA now proposes for solar
33 and wind. CalCCA's proposal would increase retained quantities while

1 leaving the benchmark unchanged, increasing the valuation for solar
2 resources while the same market data CalCCA relied upon for their proposal
3 clearly shows that even less value should be given to solar resources.
4 Pending comprehensive reform in R.25-02-005 that should address quantity,
5 price, and the treatment of retained, sold, and unsold RA together, PG&E's
6 Commission approved interim SoD peak-hour-based approach remains a
7 reasonable and internally coherent interim methodology.

8 Q 24 Does this conclude your Rebuttal Testimony?

9 A 24 Yes.

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 3
ATTACHMENT A
INITIAL BID PRICES FOR PG&E'S YEAR-AHEAD
2027 RA SOLICITATION

Chapter 3 Attachment A

Technology	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Price (\$/kW-year)	Percent of Baseload
Flat-NQC (24x7)														
Solar														
Storage														
Wind														

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 4
UNSOLD RENEWABLE ENERGY CREDITS

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 4
UNSOLD RENEWABLE ENERGY CREDITS

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PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 4
UNSOLD RENEWABLE ENERGY CREDITS

A. Introduction

Q 1 Please state your name and title.

A 1 My name is Christa Hoffman. I am a Manager in Portfolio Forecasting and Cost Recovery within Pacific Gas & Electric Company's (PG&E) Energy Policy & Procurement organization. My responsibilities include Renewable Portfolio Standard (RPS) modeling and the implementation of Minimum Retained RPS methodologies used in Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment workpapers. My witness qualifications are included in Appendix A of PG&E's Prepared Testimony.

Q 2 What is the purpose of your testimony?

A 2 The purpose of my testimony is to address the intervenor testimony filed by Mr. Matley on behalf of the California Community Choice Association concerning the use of Unsold Renewable Energy Credits (REC) in PG&E's minimum retained RPS implementation. I address Mr. Matley's proposal for the use of Unsold RECs in the minimum retained RPS for 2026 and 2027, and outline PG&E's planned use of Unsold RECs.

B. Unsold RECs

Q 3 What does Mr. Matley assert about Unsold RPS in his testimony?

A 3 In his Direct Testimony, Mr. Matley argues PG&E should prioritize the use of Unsold RPS, which he classified as 'Post-2018' banked RECs before the use of any Pre-2019 Banked RECs in order to meet its 2026 and 2027 Minimum Retained RPS shortfalls. Mr. Matley argues the Unsold RPS should be prioritized to meet PG&E's 2026 and 2027 shortfalls.

Q 4 Does PG&E agree with Mr. Matley's recommendation to use Unsold RECs?

A 4 PG&E agrees to use Unsold RECs to meet PG&E's Compliance Period 5 RPS obligations, but for reasons different than those advanced by Mr. Matley.

1 Q 5 What did PG&E propose in previous Erra forecasts related to Unsold
2 RECs and Pre-2019 RECs?

3 A 5 In previous Erra forecast proceedings, PG&E has proposed utilizing
4 Unsold RPS after exhausting both Post-2018 Banked RECs and Pre-2019
5 Banked RECs in ratesetting. PG&E considers Unsold RPS to be a different
6 category of RECs than Post-2018 RECs as per Decision (D.) 19-10-001.
7 PG&E's view was value should not be given to Unsold RECs until all
8 previously retained RECs have been utilized, or the Unsold RECs are being
9 used directly towards meeting an RPS compliance period requirement for
10 PG&E's bundled customers.

11 Q 6 Did the California Public Utilities Commission (Commission) require PG&E
12 to use Unsold RECs in PG&E's 2026 Erra Forecast decision?

13 A 6 No. In D.25-12-027, the Commission implemented PG&E's proposal to
14 apply Post-2018 RECs, not inclusive of Unsold RPS, before applying
15 Pre-2019 Banked RECs.

16 Q 7 Has PG&E's plan for utilizing Unsold RECs towards meeting its RPS
17 requirements changed since PG&E's Prepared Testimony?

18 A 7 Yes. On August 3, 2026, PG&E filed its RPS Compliance Report for 2025,
19 which included 1,643,425 megawatt-hours of RECs retired to PG&E's 2025
20 Western Renewable Energy Generation Information System (WREGIS)
21 account. In addition to these RECs, PG&E now plans on retiring the
22 remaining Unsold RECs to either its 2026 or 2027 WREGIS accounts.
23 Given PG&E is currently expected to be physically short of meeting its
24 Compliance Period 5 requirements, covering the years 2025 through 2027,
25 PG&E is expecting to fully utilize all Unsold RPS towards meeting these
26 requirements.

27 Q 8 Can PG&E bank or sell these Unsold RECs which have been retired in
28 WREGIS?

29 A 8 No. Banking is not possible under the RPS compliance rules adopted by the
30 Commission. PG&E is not able to bank the Unsold RECs as a retail seller
31 can only bank excess procurement when, among other conditions, its
32 quantitative procurement requirement for a compliance period is met. This
33 is not the case for PG&E currently as PG&E expects to be physically short
34 of the Compliance Period 5 requirement due to its short RPS positions, so

its only option from a compliance perspective, is to “use,” not “bank” the Unsold RECs. PG&E does not have the option to sell these RECs once they have been retired in WREGIS. PG&E attempted to sell a portion of the Unsold RECs as PCC3 RECs in a solicitation in August 2026, before the date at which they need to be retired or expire, but was unable to execute sales consistent with PG&E’s Commission approved sales strategies.

Q 9 What is the primary motivating factor for retiring or planning to retire the Unsold RPS volumes to PG&E’s 2025, 2026 and 2027 WREGIS accounts?

A 9 In order for a REC to remain available to a Load Serving Entity (LSE) to use towards meeting its RPS compliance requirements, it must be transferred to a WREGIS retirement account within 36 months of being generated.¹ Following a review of applicable RPS compliance rules as expiration dates for Unsold RECs were approaching, PG&E began transferring its Unsold RPS to its WREGIS retirement accounts in order to keep the RECs from expiring and reducing the amount of RECs available to PG&E and the broader market for use towards meeting future RPS compliance requirements. By submitting PG&E’s 2025 RPS Compliance Report, any RECs retired to PG&E’s 2025 WREGIS account will be considered towards meeting PG&E’s Compliance Period 5 RPS requirement.

Q 10 What are the implications of this change for the minimum retained RPS position in PG&E’s 2027 ERRA Forecast?

A 10 In D.19-10-001, the Commission defined “Actual Retained” RPS to be based on the “Volume used for IOU compliance from PCIA-eligible portfolio.” As PG&E expects that it will have retired the Unsold RPS to its 2025, 2026 and 2027 WREGIS retirement accounts, and PG&E is currently expected to be physically short of in-compliance period generation, PG&E will be “using” these Unsold RECs to meet its Compliance Period 5 requirement. If PG&E’s physical short position is less than the retired Unsold RPS volumes, PG&E will retain Unsold RPS volumes for Compliance Period 5 up to the physical short position for the compliance period. Otherwise, PG&E will retain the full Unsold RPS volumes for Compliance Period 5, which will be reflected in

¹ See, e.g., D.12-06-038, pp. 48-51.

1 PG&E's updated minimum retained RPS entries associated with 2025,
2 2026, and 2027.

3 Q 11 How does PG&E intend to value Unsold RECs when used for minimum
4 retained RPS?

5 A 11 PG&E will value Unsold RPS at the applicable year's Market Price
6 Benchmark.

7 Q 12 Does PG&E agree with Mr. Matley's direct testimony on why Unsold RECs
8 should be retained for Compliance Period 5?

9 A 12 No. Mr. Matley proposes PG&E use Unsold RECs before using pre-2019
10 banked RECs because he asserts the Unsold RECs are post-2018 banked
11 RECs and should therefore be prioritized. PG&E disagrees that Unsold
12 RPS should categorically be used before volumes previously paid for and
13 retained such as pre-2019 banked RECs. Here, PG&E is specifically
14 planning to use Unsold RPS because the RECs were retired and will be
15 used for RPS compliance in Compliance Period 5 as a result of the RPS
16 program's compliance rules. However, should there be Unsold RECs in the
17 future, there should not be a requirement to use these volumes before
18 previously paid for and retained RECs. Consistent with D.19-01-001,
19 Unsold RECs should be valued in ratemaking only when and if they are
20 used for compliance.

21 **C. Conclusion**

22 Q 13 Does this conclude your rebuttal testimony?

23 A 13 Yes, it does.

PACIFIC GAS AND ELECTRIC COMPANY

CHAPTER 5

**POWER CHARGE INDIFFERENCE ADJUSTMENT REVENUE
REQUIREMENT AND BALANCING ACCOUNT FORECAST**

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 5
POWER CHARGE INDIFFERENCE ADJUSTMENT REVENUE
REQUIREMENT AND BALANCING ACCOUNT FORECAST

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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 5**
3 **POWER CHARGE INDIFFERENCE ADJUSTMENT REVENUE**
4 **REQUIREMENT AND BALANCING ACCOUNT FORECAST**

5 **A. Introduction**

6 Q 1 Please state your name and title.

7 A 1 My name is Angelia Vega. I am an Expert Strategic Analyst in the Portfolio
8 Forecasting and Cost Recovery department within the Energy Policy and
9 Procurement organization. In this rebuttal testimony, I sponsor Pacific Gas
10 and Electric Company's (PG&E) response regarding the Power Charge
11 Indifference Adjustment (PCIA) Revenue Requirement and the Portfolio
12 Allocation Balancing Account (PABA).

13 Q 2 What is the purpose of your testimony?

14 A 2 My testimony here responds to the testimony of Mr. Ryan Matley, on behalf
15 of the California Community Choice Association (CalCCA), regarding the
16 following:

- 17 • That the California Public Utilities Commission (CPUC or Commission)
18 should authorize PG&E to incorporate any authorized interim
19 2027 General Rate Case (GRC) Revenue Requirement increase into
20 2027 PCIA rates;
- 21 • Observations regarding the year-end 2026 PABA and Energy Resource
22 Recovery Account (ERRA) forecast; and
- 23 • Correction of errors presented in PG&E's May 15, 2026 Testimony
24 (Prepared Testimony) identified by CalCCA's discovery.

25 **B. 2027 General Rate Case**

26 Q 3 Does PG&E expect the 2027 GRC to be authorized in time for rate recovery
27 effective January 1, 2027?

28 A 3 No. PG&E does not currently expect the 2027 GRC to be authorized in time
29 for rate recovery effective January 1, 2027. The 2027 GRC scoping memo
30 anticipates a final decision in May 2027.

1 Q 4 If the answer to Question 3 is no, how does PG&E's plan to recover its
2 Electric Generation GRC Revenue Requirement in 2027?

3 A 4 PG&E will recover the currently authorized GRC Revenue Requirement
4 effective January 1, 2027. PG&E has also requested interim rate relief
5 (IRR), resulting from the delay in the 2027 GRC decision, to take effect
6 January 1, 2027. If the Commission authorizes the IRR by the end of 2026,
7 PG&E will include the Electric Generation portion of that authorized IRR in
8 rates.

9 Q 5 Is PG&E's proposal as described in Answer 4 supported by Mr. Matley, on
10 behalf of CalCCA?

11 A 5 Yes. Mr. Matley supports this proposal on page 34, lines 16 through 18 of
12 his testimony. PG&E further clarifies that recovery of any authorized IRR
13 will follow the currently adopted cost recovery mechanism, including
14 recovery through both the PCIA and the New System Generation Charge,
15 as applicable.

16 Q 6 Does this conclude your rebuttal testimony on this matter?

17 A 6 Yes, it does.

18 **C. End of Year 2026 PABA and ERRRA Forecast**

19 Q 7 Does PG&E agree with Mr. Ryan Matley's assessment of the year-end 2026
20 forecast?

21 A 7 PG&E does not dispute Mr. Ryan Matley's characterization of the PABA and
22 ERRRA balances. However, PG&E expects the year-end 2026 forecasted
23 balances in the Fall Update of this proceeding to differ from the forecast
24 presented by Mr. Matley in CalCCA's testimony.

25 Q 8 Why did PG&E's year-end PABA and ERRRA forecast presented in its
26 Prepared Testimony differ from the forecast presented by Mr. Ryan Matley?

27 A 8 PG&E's forecast in its Prepared Testimony was based on recorded
28 balances through March plus a forecast for the remainder of 2026.
29 Mr. Matley's forecast relies on more recent July 2026 balances. As stated in
30 PG&E's monthly Activity Reports from April 2026 through July 2026, the
31 primary driver of the PABA undercollection and ERRRA overcollection was
32 due to lower California Independent System Operator wholesale market
33 power prices that reduced wholesale market revenues credited to PABA and
34 reduced procurement costs recorded in ERRRA.

1 Q 9 Are there plans to address energy market price forecast issues?

2 A 9 Ordering Paragraph 1(a) of Decision (D.) 18-10-019 provides that the

3 Energy Market Price Benchmark (MPB) used to calculate the PCIA is

4 provided annually by the Commission's Energy Division, based on the

5 methodology adopted in D.06-07-030 and modified in D.11-12-018. In

6 February 2025, the CPUC opened Rulemaking (R.) 25-02-005 to update

7 and reform various ERRA and PCIA policies. The Energy MPB issue is

8 included in Track 3A of R.25-02-005.

9 Q 10 Will PG&E update its forecasted year-end 2026 PABA and ERRA balances

10 in the Fall Update?

11 A 10 Yes. Consistent with previous ERRA Forecasts, PG&E will update its

12 forecasted year-end 2026 PABA and ERRA balances in the Fall Update.

13 The updated forecast will reflect recorded activity through August 2026 and

14 a forecast for September through December 2026 activity. This update will

15 provide a more current estimate of the year-end balances than the forecast

16 presented in PG&E's Prepared Testimony and CalCCA's testimony, which

17 relied on earlier recorded balances and assumptions.

18 Q 11 Does this conclude your rebuttal testimony on this matter?

19 A 11 Yes, it does.

20 **D. PCIA Calculation Errors Identified by CalCCA**

21 Q 12 Did CalCCA identify PCIA calculation errors in PG&E's initial filing?

22 A 12 Yes. CalCCA identified certain issues in PG&E's initial testimony and

23 supporting workpapers, and PG&E addressed those issues through data

24 request responses and its July 17, 2026 errata filing. Specifically, PG&E

25 corrected the fossil utility-owned generation vintaging reflected in the

26 workpapers, corrected the treatment of certain retained Renewable Portfolio

27 Standard (RPS) volumes for the 2013 PCIA vintage, and removed an

28 erroneously included "Residual Capacity Sales" line item from the PCIA

29 indifference calculation. PG&E also notes that the forecast costs and

30 revenues presented in its Prepared Testimony will be updated with the

31 Fall Update of this proceeding.

32 Q 13 Did the identified errors affect the PCIA forecast?

33 A 13 The impact varied by issue. The fossil utility-owned generation vintaging

34 correction did not affect PCIA rates because the Legacy and 2009 vintage

1 utility-owned generation resources are combined for purposes of the 2009
2 PCIA vintage rate. The retained RPS correction increased the forecasted
3 2026 PABA undercollection by approximately \$35 million. The retained RA
4 correction associated with removal of the "Residual Capacity Sales" line
5 item, as well as other RA positions in PABA, reduced the 2027 PCIA
6 indifference amount by approximately \$19.8 million and reduced the
7 forecasted 2026 PABA undercollection by approximately \$21.6 million.

8 Q 14 Does PG&E agree with CalCCA that the discovery process helped identify
9 and resolve these calculation issues?

10 A 14 Yes. PG&E agrees that the discovery process helped identify issues that
11 were reviewed and corrected, where appropriate, in PG&E's errata to
12 Prepared Testimony. PG&E provides ERRA forecast workpapers and
13 responds to party discovery to support review of the forecast and promote
14 accurate ERRA and PCIA rates. PG&E will continue to review party input
15 and incorporate appropriate updates in the Fall Update.

16 Q 15 Does this conclude your rebuttal testimony on this matter?

17 A 15 Yes, it does.

PACIFIC GAS AND ELECTRIC COMPANY
APPENDIX A
STATEMENT(S) OF QUALIFICATIONS

PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF QUALIFICATIONS OF DONNA L. BARRY

Q 1 Please state your name and business address.

A 1 My name is Donna L. Barry, and my business address is Pacific Gas and Electric Company (PG&E), 300 Lakeside Drive, Oakland, California.

Q 2 Briefly describe your responsibilities at PG&E.

A 2 I am a Principal Strategic Analyst in the Energy Policy Analysis and Design Department within the Energy Policy and Procurement organization. I am responsible for developing testimony and analysis to support proceedings filed at the California Public Utilities Commission on matters related to energy procurement and cost recovery.

Q 3 Please summarize your educational and professional background.

A 3 I received my Bachelor of Science degree in Civil Engineering from Washington State University and a Master of Business Administration degree from Santa Clara University.

I began my career with PG&E in 1989 as an Engineer in the Engineering and Construction Business Unit's Gas Construction Department, managing gas distribution and pipeline replacement construction projects. From there, I took an assignment in the Gas Supply Business Unit in the Gas Engineering and Construction (GEC) Department as a Project Manager, managing three gas backbone transmission projects before joining the Gas Planning section in GEC, where I analyzed the reliability of local transmission and distribution systems. I subsequently joined the Cost of Service section in the Rates Department, where I performed cost of service studies and marginal cost analyses supporting various gas and electric rate applications.

I joined the Electric Restructuring Cost Recovery section of the Revenue Requirements Department in 2001 and Electric Energy Revenue and Analysis and Ratemaking section in 2002. I was a Case Manager for the Energy Resource Recovery Account (ERRA) Forecast from 2004 through 2006 and sponsored testimony in the case related to PG&E's generation-related non-bypassable charges between 2004-2019 and more recently, I have sponsored testimony supporting updates to PG&E's Green

1 Tariff Shared Renewables (GTSR) Program rates. I was also the Principal
2 Case Manager for the ERRA Compliance Review proceeding from 2003
3 through 2011 and my responsibilities included coordination of the case
4 assessment and strategy development across multiple departments within
5 PG&E, as well as sponsoring testimony related to the review of costs
6 recorded to the ERRA. The department and section were renamed as the
7 Energy Supply Proceedings Department in 2012. I moved to the Revenue
8 Requirements and Analysis Department in 2014.

9 The Revenue Requirements and Analysis Department has been
10 reorganized and renamed several times since 2014 and the current
11 department name is Electric Rates and Rate Architecture. Over the last
12 6 years, I have sponsored written testimony related to cost recovery and
13 rate design and/or submitted cost recovery proposals in advice letters in
14 support of the following applications: GTSR Program, Transportation
15 Electrification Senate Bill 350, Energy Storage System Rulemaking (2014),
16 Energy Storage Plan (2016), Energy Storage Request for Offers (2014 and
17 2016), Energy Storage Plan and Assembly Bill 2868. I have also
18 contributed significantly to two Applications that involved reform of the
19 Power Charge Indifference Adjustment (PCIA) – the Portfolio Allocation
20 Mechanism Application in 2017 and the PCIA in 2018, both of which were
21 jointly filed with Southern California Edison Company and San Diego Gas &
22 Electric Company.

23 More recently, I have sponsored Testimony in the Green Access
24 Program Application advocating for reform of the existing GTSR Program
25 and rate design and in the annual Diablo Canyon Extended Operations
26 Forecast Applications where I sponsor testimony related to the consolidated
27 revenue requirement to be recovered and the allocation of the revenue
28 requirement to California Load Serving Entities for recovery in rates.

1 Q 4 What is the purpose of your testimony?

2 A 4 I am sponsoring the following rebuttal testimony in PG&E's 2027 Energy

3 Resource Recovery Account and Generation Non-Bypassable Charges

4 Forecast and Greenhouse Gas Forecast Revenue Return and

5 Reconciliation proceeding:

6 • Chapter 2, "Load Forecasts";

7 – Section B.

8 Q 5 Does this conclude your statement of qualifications?

9 A 5 Yes, it does.

PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF QUALIFICATIONS OF MARCUS KELLER

Q 1 Please state your name and business address.

A 1 My name is Marcus Keller, and my business address is Pacific Gas and Electric Company (PG&E), 300 Lakeside Drive, Oakland, California.

Q 2 Briefly describe your responsibilities at PG&E.

A 2 I am the Director of Portfolio Forecasting and Cost Recovery within the Energy Policy and Procurement organization. In this position I lead a team responsible for preparing, validating, and analyzing energy procurement supply and cost forecasts utilized internally for PG&E's procurement planning purposes as well as in regulatory proceedings before the California Public Utilities Commission (CPUC) and the California Energy Commission, including the Energy Resource Recovery Account Forecast and Integrated Resource Plan proceedings at the CPUC.

Q 3 Please summarize your educational and professional background.

A 3 I graduated from the University of California, San Diego in 2005 with Bachelor of Science degrees in Environmental Systems and Management Science. I graduated with a Master of Science degree in Environmental Management in 2011 from the University of San Francisco.

In 2011 I joined PG&E as an Analyst on the Competitive Solicitations team before moving to Contract Management in 2013 and ultimately to Bundled Portfolio Planning and Analysis in 2015. While the name of that department was recently updated to Portfolio Forecasting and Cost Recovery, since 2015, my work has included various energy procurement forecasts and related analysis to support PG&E in regulatory proceedings and other business processes. My role at PG&E was initially as an individual contributor before taking on leadership roles of increasing complexity.

Q 4 What is the purpose of your testimony?

A 4 I am sponsoring the following rebuttal testimony in PG&E's 2027 Energy Resource Recovery Account and Generation Non Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation proceeding:

- 1 • Chapter 3, "Slice-of-Day Resource Adequacy Valuation Methodology."
- 2 Q 5 Does this conclude your statement of qualifications?
- 3 A 5 Yes, it does.