

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: April 10, 2025

Please find attached Keyes & Fox’s March 2025 Regulatory Memorandum dated April 2, 2025 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated April 2, 2025

Valley Clean Energy Alliance

Regulatory Monitoring Report

To: Valley Clean Energy Alliance (VCE) Board of Directors

From: Sheridan Pauker, Partner, Keyes & Fox LLP
Jason Hoyle, Director of Research, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: April 2, 2025

Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

NEW PG&E 2026 Cost of Capital

Background: Cost of capital proceedings are held every three years to establish a utility's return on equity (ROE) and overall rate of return (ROR). The Commission established a uniform cost of capital mechanism for the large investor-owned utilities that includes a review 3-year cycle and provides for formula-based interim adjustments based on a bond market index.

Recent Developments: On March 20, PG&E submitted an [Application](#) to adjust its cost of capital. PG&E proposed to maintain its existing capital structure at about 48% debt and 52% equity, increase in its ROE from the current 10% to 11.3%, and increase its cost of debt from 4.31% to 5.05%. Under the proposal, the Company's overall rate of return would increase from 7.28% to 8.31%.

Analysis: PG&E plans to invest about \$63 billion in energy infrastructure between 2024 and 2028, and it argues that the proposed higher rate of return is necessary to obtain funds for these investments. The rate of return is earned by the utility on all of its capital investments, and increasing the rate of return will increase the price in the non-generation portion of customer rates.

Next Steps: Responses and protests to the Application are due April 24 and replies are due May 5.

Additional Information: [Application](#) (Mar. 20, 2025); Docket No. [A.25-03-010](#).

NEW Diablo Canyon 2026 Rates & VPF

Background: During the period of extended operations for the Diablo Canyon Nuclear Plant, PG&E submits an annual application forecasting its costs, market revenues from CAISO, net costs allocated to ratepayers of each large IOU, and its plan for use of volumetric performance fees (VPFs) in the upcoming calendar year.

Recent Developments: On March 28, PG&E submitted an [Application](#) for recovery in statewide rates of forecast costs for the extended operations of Diablo Canyon nuclear facility covering the period starting January 1 through December 31, 2026 and requesting Commission review and approval a plan for prioritizing the use of the 2026 volumetric performance fees (VPF). Forecast costs of \$1.339 billion are offset by forecast CAISO market revenues of \$935 million, resulting in a total net revenue requirement for ratesetting of \$410 million for the 2026 calendar year, of which \$257 million is allocated to PG&E ratepayers. PG&E's forecasts will be updated in the October Fall Update.

Analysis: Forecast 2026 rates for Diablo Canyon are expected to reduce PG&E's system average bundled rate by 0.4%, or just under \$1 per month for the average non-CARE residential customer. However, the forecast rates will be influenced by changes in resource adequacy market-price benchmarks currently under consideration.

Next Steps: Responses and protests to the Application will be due 30 days after notice is published in the Daily Calendar.

Additional Information: [Application](#) (Mar. 28, 2025); Docket No. [A.25-03-015](#).

PCIA/ERRA Reform

Background: This Rulemaking considers updates and reforms to the Energy Resource and Recovery Account (ERRA) and Power Charge Indifference Adjustment (PCIA) rules and processes with the objectives of improving existing rules, mitigating rate volatility, and ensuring indifference among bundled and departing customers. The proceeding includes an expedited Track 1 to revise the resource adequacy (RA) market-price benchmark (MPB) calculation methodology with a proposed decision in May 2025 and for the revised methodology to be used in the October 2025 MPBs, and a subsequent Track 2 will consider broader issues.

Recent Developments: Opening comments on Track 1 issues were filed on March 18 by the [Joint IOUs](#), [CalCCA](#), [CalAdvocates](#), [The Utility Reform Network](#) (TURN), and others. These parties generally agreed on the use of monthly MPB prices, excluding both affiliate transactions and swap/sleeve transactions (except the Joint IOUs) from MPB calculations, and using a single value for MPBs that includes local, system, and flexible RA. Both CalCCA and the Joint IOUs included numerous recommendations regarding the PCIA an in-depth examination. CalCCA notably does not support the [Staff Report's](#) proposal to include the costs of all RA transactions that are deliverable in the current year rather than just the prices of transactions executed during the year, while the Joint IOUs, TURN, and CalAdvocates were in support of that proposal. Additionally, both TURN and the Joint IOUs recommended that Track 1 be expanded to include the Renewable Portfolio Standard MPB.

Analysis: Among Track 1 issues, both including long-term transactions instead of only transactions occurring in the delivery year and modifications to the treatment of RA MPBs in the PCIA are significant to CCAs because they not only affect the MPB values but also could alter the distribution of costs between bundled and unbundled customers via the PCIA. Track 1 changes will have an impact on PCIA charges beginning in 2026.

Next Steps: Reply comments on the OIR and Energy Division's Report are due April 2, and the prehearing conference is scheduled for April 7.

Additional Information: ALJ [Ruling](#) (Mar. 21, 2025); [Ruling](#) & [Staff Report](#) on RA MPB (Feb. 26, 2025); [OIR](#) (Feb. 26, 2025); Docket No. [R.25-02-005](#).

RA Rulemaking (2025-2026)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework. Track 1 was focused on priority issues including RA capacity requirements, SOD framework implementation, and RA compliance and penalties. The Commission issued D.24-06-004 on Track 1 on June 26, 2024. Track 2 was focused on Central Procurement Entity (CPE) framework issues, including potential structural modifications. The Commission issued D.24-12-003 on Track 2 issues in December 2024. Track 3 is focused on remaining RA capacity issues, including what planning reserve margin (PRM) the Commission should require for LSE RA procurement obligations.

Recent Developments: In March 17 reply comments, [CalCCA](#) argued against recommendations to defer or reject hourly load obligation trading, supported adoption of a system RA waiver, recommended the Commission improve accounting for long-duration energy storage (LDES) and demand response technologies, and that efforts to refine modeling to determine the 2027 planning reserve margin (PRM) be continued. [PG&E](#) recommended adoption of a 17% PRM for 2026, that RA waivers be rejected, that load trading not be adopted without further assessment of the need, and that the Commission further explore RA values for LDES in a new track of this proceeding.

Analysis: There is disagreement among parties regarding proposals for hourly load trading and temporary RA waivers, in particular. Parties generally support continued efforts to refine modeling to establish the PRM level and continued efforts to further develop RA capacity values for long-term storage and demand response technologies.

Next Steps: A proposed decision on Track 3 proposals is expected in May.

Additional Information: ALJ [Ruling](#) (Feb. 25, 2025); ALJ [Ruling](#) (Jan. 21, 2025); ALJ [Ruling](#) & [SOD Study](#) (Dec. 23, 2024); [D.24-12-003](#) on Track 2 (Dec. 12, 2024); Track 3 [Scoping Memo and Ruling](#) (Nov. 4, 2024); [D.24-06-004](#) (Jun. 26, 2024); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

Diablo Canyon Extension

Background: This rulemaking was opened to consider the potential extension of operations at the Diablo Canyon Nuclear Power Plant in accordance with Senate Bill 846 (Stats. 2022, Ch. 239). The initial phase of the proceeding is concluded. Phase 2 addresses the collection and use of volumetric performance fees by PG&E.

Recent Developments: On February 28, the CPUC issued a [Proposed Decision](#) on Phase 2 that would continue use of the current framework governing use of the surplus performance fees, encourage PG&E to consider affordability when developing and implementing its Volumetric Performance Fee (VPF) spending plan, and require PG&E to estimate the number of customers participating in or benefitting from each VPF project, among other changes. Parties – including CalCCA – filed comments and reply comments on the proposed decision in March.

Analysis: The Proposed Decision provides additional guidance to PG&E regarding its selection of specific VPF programs and emphasizes the importance of increasing affordability and reducing upward pressure on rates. That guidance along with the new requirement that the quantity of customers participating in or benefitting from its VPF programs be included in its annual reporting should provide additional insight into the full scope of benefits provided from the plant's extension. The Proposed Decision however did not adopt the VPF spending principles that CalCCA and other intervenors recommended. CalCCA's comments on the PD recommend the Commission adopt those principles.

Next Steps: The Proposed Decision may be heard as early as the April 3 Commission meeting.

Additional Information: [Proposed Decision](#) on Phase 2 (Feb. 28, 2025); [Phase 2 Scoping Memo and Ruling](#) (Jun. 25, 2024); [OIR](#) (Jan. 20, 2023); Docket No. [R.23-01-007](#).

Clean Power SF Municipalization

Background: The City and County of San Francisco (SF or City) filed this Petition for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution system within SF transmission assets needed for operational control, a substation and related assets pursuant to Public Utilities Code §1401-1421. Briefing was filed in August of 2022.

Recent Developments: In reply comments filed on March 27, [PG&E](#) seeks a status conference to discuss discrepancies between the findings of its consultants and other parties, additional workshops, and it continues to pursue additional information from the City. The [City](#) suggests that material issues regarding the inventory of assets will be resolved in its amended and restated testimony, a nuanced consideration of valuation and other impacts, and that PG&E be compelled to respond to its outstanding discovery requests.

Analysis: N/A.

Next Steps: The remaining schedule depends in part on comments from parties in response to the Ruling.

Additional Information: ALJ [Ruling](#) (Jan. 24, 2025); ALJ [Ruling](#) (Oct. 28, 2024); ALJ [Ruling](#) requesting comments (Mar. 27, 2024); [Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [Petition](#) (Jul. 27, 2021); Docket No. [P.21-07-012](#).

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, including legislative mandates, and other matters related to the purchase of renewable energy. This proceeding is the forum for review of VCE's RPS Procurement Plan and RPS Compliance reports.

Recent Developments: On February 24, the CPUC issued Draft Comment Resolution E-5376: Commission Motion Amending the Bioenergy Renewable Auction Mechanism (BioRAM) Program and Authorizing the Procurement and/or Extension of Eligible Contracts pursuant to Assembly Bill 2750.

Analysis: The Resolution would extend the deadline for IOU procurement of their shares of the 125 MW of eligible BioRAM contracts to July 1, 2025 and require the IOUs to seek extensions of at least five years on existing contracts with expiration dated before the end of 2028. The Resolution seeks to extend and expand the dispatchable baseload power available from biomass in the state.

Next Steps: The Draft Resolution is expected to be heard at the April 3 Commission meeting. A ruling initiating the process for 2025 RPS Procurement Plans is expected in Q2 2025.

Additional Information: [Draft Comment Resolution E-5376](#) (Feb. 24, 2025); VCE [Final 2024 RPS Procurement Plan](#) (Jan. 22, 2025); [D.24-12-035](#) (Dec. 24, 2024); [Scoping Memo and Ruling](#) (May 9, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. The current Phase 4 will consider whether modifications to electric line extension rules would assist under-resourced customers, electric baseline allowance modifications to encourage building decarbonization, and new programmatic approaches to building decarbonization.

Recent Developments: On March 26, the CPUC issued a [Proposed Decision](#) resolving Phase 4 Track A issues regarding electric service line upsizing rules, modifying reporting requirements, and implementing AB 157. The decision authorizes \$5 million annually for electric service line upsizing for under-resourced customers and an additional \$40 million for the Technology and Equipment for Clean Heating (TECH) Initiative, and it also includes measures to prevent unnecessary upsizing of electric lines and extends the deadline for mixed-fuel new construction projects.

Analysis: The Proposed Decision addresses equity disparities in service line upsizing by providing funding for under-resourced customers while also imposing certain project limits and reporting requirements to ensure that the use of common cost-funding is not used unnecessarily when other funds may be available and that individual projects are not oversized. These efforts will improve equitable access to both building and transportation electrification opportunities across the state.

Next Steps: The Proposed Decision may be heard as early as the May 15 Commission meeting. Comments on the Proposed Decision are due April 15 and reply comments are due April 21.

Additional Information: [Proposed Decision](#) (Mar. 26, 2025); ALJ [Ruling](#) (Feb. 14, 2025); [Final Resolution E-5352](#) (Dec. 26, 2024); PG&E [AL 5004-G/7437-E](#) (Nov. 21, 2024); ALJ [Ruling](#) and Track A [Staff Proposal](#) (Jul. 18, 2024); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

IRP Rulemaking

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations.

Recent Developments: No recent developments.

Analysis: N/A.

Next Steps: Information about the 2025 IRP filing is expected in the next few months.

Additional Information: [D.25-02-026](#) (Feb. 26, 2025); [Petition for Modification of D.21-06-035](#); [D.24-09-006](#) (Sep. 17, 2024); [D.24-08-064](#) on central procurement of LLT resources (Aug. 29, 2024); [Amended Scoping Memo and Ruling \(Correction/Clarification\)](#) (Apr. 18, 2024); [D.24-02-047](#) (Feb. 20, 2024); [D.23-12-014](#) (Dec. 19, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); Docket No. [R.20-05-003](#).

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. Phase 1-Track A established an income-graduated fixed charge (IGFC) for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and then expanded VCE's AgFIT Pilot throughout PG&E distribution territory.

Recent Developments: No recent developments.

Analysis: N/A.

Next Steps: The AgFIT Pilot Final Evaluation is due April 25. A proposed decision on Track B Working Group 1 proposals regarding rate design for marginal generation capacity costs was expected by the end of 2024 but is delayed.

Additional Information: [Letter](#) granting extension (Feb. 27, 2025); [Final Resolution E-5354](#) (Feb. 4, 2025); VCE [AL 20-E](#) (Nov. 8, 2024) approved by Energy Division on Dec. 13, 2024; [Disposition Letter](#) on VCE AL 17-E (Sep. 3, 2024); PG&E [AL 7351-E](#) (Aug. 13, 2024) and [AL 7351-E-A](#) (Sep. 13, 2024); [D.24-05-028](#) (May 15, 2024); [D.24-01-032](#) (Jan. 26, 2024); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

Provider of Last Resort Rulemaking

Background: A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's service area). Phase 1 of this proceeding concluded in April 2024 and addressed POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 will build on Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: A ruling on the need for legal briefs is expected in Q1 2025 and resolution of the Threshold Questions is expected in Q2 2025, after which the primary topic areas will be addressed. The first revised FSR posting under [D.24-04-009](#) is due March 1, 2025, and subsequent FSR postings are due July 1 and January 1 of each year.

Additional Information: [Scoping Memo and Ruling](#) (Oct. 24, 2024); ALJ [Ruling](#) (Aug. 6, 2024); Joint CCA [Advice Letter](#) on new registration (Jul. 17, 2024); [Joint CCA Advice Letter](#) on financial modeling and reporting guidelines (Jul. 1, 2024); [D.24-04-009](#) / [Appendix](#) (Apr. 22, 2024); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

PG&E 2023 Phase 2 GRC

Background: Phase 2 General Rate Case (GRC) proceedings determine PG&E's marginal cost of service and revenue requirement allocation among customer classes for a set period (in this case, 2023-2026).

Recent Developments: On March 21, the Assigned Commissioner issued a [Scoping Memo](#).

Analysis: N/A

Next Steps: PAO testimony is due July 23, intervenor testimony is due August 25, and a proposed decision is expected in mid-2026.

Additional Information: [Scoping Memo](#) (Mar. 21, 2025); [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

PG&E 2024 ERRa Forecast (Consolidated Track 2)

Background: The annual Energy Resource and Recovery Account (ERRa) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other non-bypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates. The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRa forecast proceedings for the sole purpose of addressing issues related to the definition of and accounting for "fixed generation costs" in a Track 2.

Recent Developments: Parties filed reply briefs in this proceeding on February 18.

Analysis: N/A

Next Steps: A proposed decision is expected in April 2025.

Additional Information: [Scoping Memo & Ruling](#) (Oct. 11, 2024); ALJ [Ruling](#) on Track 2 schedule (May 1, 2024); Joint CCA [Motion](#) (Apr. 26, 2024); IOU [Motion](#) (Apr. 25, 2024); [Scoping Memo and Ruling](#) (Apr. 2, 2024); [Joint Prehearing Conference Statement](#) (Mar. 26, 2024); PG&E [AL 7180-E](#) (Feb. 15, 2024); [D.23-12-022](#) (Dec. 19, 2023); ALJ [Ruling](#) (Dec. 18, 2023); ALJ [Ruling](#) (Nov. 20, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRA Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRA Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

PG&E 2024 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: On March 27, the ALJ issued a [Ruling](#) scheduling the prehearing conference for April 18.

Analysis: N/A.

Next Steps: Parties will file protests to PG&E's Application on April 4. The prehearing conference is scheduled for April 18.

Additional Information: [Ruling](#) (Mar. 27, 2025); PG&E 2024 ERRA Compliance [Application](#) (Feb. 28, 2025); Docket No. [A.25-02-013](#).

PG&E 2023 ERRA Compliance

Background: See PG&E 2024 ERRA Compliance background.

Recent Developments: No recent developments.

Analysis: There are no disputed factual issues. PG&E and CalCCA indicated interest in discussing settlement terms related to the Humboldt 6 outage.

Next Steps: A proposed decision is expected by mid-March 2025.

Additional Information: [Joint Case Management Statement](#) (Nov. 6, 2024); ALJ [Ruling](#) (Oct. 21, 2024); [Scoping Memo and Ruling](#) (Jun. 12, 2024); [Joint Prehearing Conference Statement](#) (Apr. 15, 2024); CalCCA's [Protest](#) (Apr. 5, 2024); PG&E 2023 ERRA Compliance [Application](#) (Feb. 28, 2024); Docket No. [A.24-02-012](#).

PG&E 2022 ERRA Compliance

Background: See PG&E 2024 ERRA Compliance background.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: This case is fully briefed and a proposed decision is expected.

Additional Information: ALJ [Ruling](#) (Sep. 3, 2024); ALJ [Ruling](#) (Jul. 26, 2024); ALJ [Ruling](#) (May 22, 2024); ALJ [Ruling](#) (May 16, 2024); ALJ [Ruling](#) (Apr. 16, 2024); PG&E and CalAdvocates' [Joint Motion](#) for Settlement (Mar. 7, 2024); CalCCA [Motion](#) (Mar. 1, 2024); ALJ [Ruling](#) (Feb. 15, 2024); ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRA Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

PG&E 2021 ERRA Compliance

Background: See PG&E 2024 ERRA Compliance background.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: This case is fully briefed and a proposed decision is expected.

Additional Information: ALJ [Ruling](#) (Nov. 9, 2023); ALJ [Ruling](#) (Sep. 27, 2023); [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRA Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

EV Rates & Infrastructure

Background: This rulemaking is the successor to [R.18-12-006](#) and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: N/A

Additional Information: PG&E [AL 7504-E](#) (Feb. 21, 2025); [Final Resolution E-5358](#) (Dec. 26, 2024); PG&E [Semi-Annual VGI Report](#) (Sep. 13, 2024); [Resolution E-5326](#) (Jul. 17, 2024); [Letter](#) granting extension (Jun. 5, 2024); ALJ [Ruling](#) (Jun. 3, 2024); [Vehicle-Grid Integration Forum Report](#) (May 21, 2024); [Resolution E-5314](#) (Apr. 19, 2024); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [Draft Resolution E-5314](#) (Mar. 8, 2024); ALJ [Ruling](#) (Dec. 27, 2023); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

PG&E Billing System Modernization

Background: This proceeding addresses PG&E's plan to upgrade its legacy billing system, some portions of which date back to the mid-1990s. PG&E proposed a three-stage upgrade that would ultimately be complete in Q4 2029 and cost an estimated \$761.3 million.

Recent Developments: On March 27, the Assigned Commissioner issued a [Scoping Memo](#).

Analysis: The Scoping Memo provides that the following issues—which Peninsula Clean Energy advocated for—are within scope:

- **Scoping Item 1:** Whether the Billing Modernization Initiative items, such as requirements, features and functionalities, are reasonable and address challenges presented by PG&E's legacy billing systems.
- **Scoping Item 2:** Whether alternative billing upgrade approaches or initiatives are reasonable and whether PG&E adequately considered alternative billing upgrade approaches or initiatives to the Billing Modernization Initiative.
- **Scoping Item 6:** Whether the Billing Modernization Initiative will include any anti-competitive design elements or have any anti-competitive impacts, as well as whether the upgrades will support corrections to the current bill presentation that facilitate greater transparency and foster fair competition.

Next Steps: Intervenor's testimony is due June 30, rebuttal testimony is due July 30, and a proposed decision is expected in Q1 2026.

Additional Information: [Joint Prehearing Conference Statement](#) (Jan. 17, 2025); [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

Utility Safety Culture Assessments

Background: This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901. Phase 1 of this proceeding is focused on developing safety culture assessments for the large investor-owned electric and natural gas corporations, and Phase 2 of this proceeding will be focused on developing safety culture assessments for the small multi-jurisdiction utilities and the gas storage operators.

Recent Developments: No recent developments.

Analysis: N/A.

Next Steps: Phase 2 of the proceeding is expected to begin later this year. PG&E's first third-party evaluation is scheduled for August 1, 2028. Annual reports are due August 1 of each year between third-party evaluations.

Additional Information: [D.25-01-031](#) (Jan. 23, 2025); ALJ [Ruling](#) (Jun. 10, 2024); ALJ [Ruling](#) (May 8, 2023); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
R.19-09-009	Microgrids	D.24-11-004 adopting implementation rules for multi-property microgrid tariffs and closing the proceeding was issued November 18. Proceeding reopened for pending Application for Rehearing .
R.23-03-007	Wildfire Fund NBC 2024-2026	The CPUC issued D.24-12-001 (Dec. 9, 2024) adopting a \$5.95/MWh Wildfire NBC for 2025 - a slight increase from the 2024 WF NBC charge of \$5.61/MWh.
R.17-06-026	PCIA Rulemaking	The proceeding was closed by D.23-06-006 , D.24-08-004 (issued Aug. 2, 2024) denied SCE's Petition for Modification of D.23-06-006 and re-closed the

proceeding. Final [Market Price Benchmarks](#) (MPBs) for 2024 and forecast 2025 MPBs were issued on October 4.

A.22-05-002	Demand Response Programs (2023-2027)	D.24-04-006 , issued April 24, 2024, ended the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E and closed the proceeding. Proceeding reopened for pending Application for Rehearing .
A.21-06-021	PG&E 2023 Phase 1 GRC	This proceeding is inactive, but it remains open to provide further guidance on metrics relevant to auditor reports, to consider revising the energization cost recovery mechanism, and to establish reporting requirements for reviewing the reasonableness of PG&E's interim rate recovery in its next GRC.
A.24-03-018	Diablo Canyon Cost Recovery	D.24-12-033 approved PG&E's revenue requirement, conditionally approved the first year of volumetric performance spending, and closed the proceeding. Proceeding was reopened to address several pending Applications for Rehearing.