

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 7

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To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: June 12, 2025

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Please find attached Keyes & Fox’s May 2025 Regulatory Memorandum dated June 4, 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 June 4, 2025

# Valley Clean Energy Alliance

## Regulatory Monitoring Report

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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: June 4, 2025

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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 two months.

### **NEW** PG&E 2027 Phase 1 GRC

**Background:** Phase 1 General Rate Case (GRC) proceedings determine PG&E's overall revenue requirement and classification of costs by function for a set period (in this case, 2027-2030).

**Recent Developments:** On May 15, PG&E submitted its 2027 Phase 1 GRC [Application](#). PG&E proposed a 2027 base revenue requirement of \$9.847 billion for electric distribution, an increase of \$991 million from 2026, or 11.2%. The proposed electric distribution revenue requirement is \$10.605 billion for 2028, \$11.373 billion for 2029, and \$12.187 billion for 2030. The 2030 percentage increase (relative to 2026 revenue) is 37.6% for electric distribution.

**Analysis:** Under PG&E's proposal, by 2030 relative to present rates, non-CARE residential CCA customer rates would increase by 24.2%, CARE residential rates for CCA and other unbundled customers would increase by 43.2%, and average rates for all customer classes would increase by 23.3%. Additionally, among other issues of potential importance to the CCAs, PG&E proposes to retain the vintages of all its utility-owned generation eligible for the PCIA, although its generation investment plan contemplates a significant increase in hydro investments (concentrated in replacement of generating equipment and reservoir rehabilitation).

**Next Steps:** Protests and responses to the Application are due June 18.

**Additional Information:** [Application](#) (May 16, 2025); Docket No. [A.25-05-009](#).

### **NEW** PG&E 2026 ERRA Forecast

**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.

**Recent Developments:** On May 15, PG&E filed its 2026 ERRA Forecast [Application](#) requesting a revenue requirement of approximately \$2.7 billion. If approved, bundled rates would decrease by 6% on average, from \$0.35364/kWh to \$0.33253/kWh, while CCA distribution rates would increase by 3.9% on average, from \$0.20381/kWh to \$0.21180/kWh.

**Analysis:** N/A

**Next Steps:** Protests and responses to the Application are due June 18.

**Additional Information:** PG&E 2026 ERRA Forecast [Application](#) (May 15, 2025); Docket No. [A.25-05-011](#).

### 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 April 3, VCE's 2024 RPS Procurement Plan was formally [approved](#). On April 9, the CPUC issued [Resolution E-5376](#) extending the deadline for IOU procurement of Bioenergy Renewable Auction Mechanism (BioRAM) resources to July 1, 2025 and requiring IOUs to seek extensions of at least five years for existing contracts that expire before the start of 2029. On April 17, the CPUC issued a [Ruling](#) describing the requirements for Retail Sellers' 2025 RPS Procurement Plans. On May 21, the CPUC issued [Draft Comment Resolution E-5392](#) on Annual update to administratively set fixed avoided-cost rates for the Renewable Market Adjusting Tariff (ReMAT) program pursuant to Commission Decision 20-10-005.

**Analysis:** The 2025 RPS Procurement Plans Ruling provides clarifications to RPS Plan requirements and reorganization of some RPS Plan sections. Also, in 2025 the new RPS Database System will be used for reporting quantitative data.

**Next Steps:** Draft RPS Plans are due June 30, comments on Draft RPS Plans are due July 28 and reply comments are due August 11, motions to update Draft RPS Plans are due August 11, and a proposed decision is expected in Q4 2024. Draft Comment Resolution E-5392 maybe heard as early as the June 26 Commission meeting and comments are due June 10.

**Additional Information:** [Draft Comment Resolution E-5392](#) (May 21, 2025); [Ruling](#) on 2025 RPS Plans (Apr. 17, 2025); [Resolution E-5376](#) (Apr. 9, 2025); [Notice](#) of RPS Plan Approval (Apr. 3, 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](#).

## Demand Flexibility

**Background:** This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and to 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:** On April 22, PG&E submitted [AL 7558-E-A](#), replacing its previous April 2 advice letter, informing the Commission that PG&E's Expanded Ag Pilot achieved an enrollment level of 12.5 MW on February 17, 2025, an enrollment level of 25.0 MW on March 6, 2025, and an enrollment level of 37.5 MW on March 21, 2025. PG&E surpassed 50 MW of enrollment on March 28, 2025. VCE submitted a [Response](#) to PG&E's advice letter on April 22 raising concerns about PG&E's delay in submitting the advice letter and resulting lack of notice to stakeholders about the rapid enrollment of bundled-customer load and the resulting inequitable distribution of customer-funded incentives to serve PG&E's bundled customers and not in environmental and social justice (ESJ) communities. On April 25, the [Final Evaluation](#) of VCE's AgFIT Pilot was submitted to the CPUC. On May 7, PG&E submitted Advice Letter 7592-E, providing notice that it had enrolled 25 MW of load as of April 22 in the second dynamic rate pilot based on AgFIT that applies to certain commercial and industrial rates and residential electrification rates (Expanded Pilot 2).

**Analysis:** PG&E's surprisingly fast pace of enrollment of its bundled customers in the Expanded Ag Pilot, which includes just a single service point in an ESJ community, disproportionately allocates customer-funded incentives and other benefits of the pilot, such as bill savings, to PG&E's bundled customers at the expense of unbundled customers. A similar result is possible with Expanded Pilot 2. VCE called on the Energy Division to hold a workshop or stakeholder meeting to address this result.

**Next Steps:** 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:** PG&E [AL 7592-E](#) (May 7, 2025); [Final Evaluation](#) VCE's AgFIT Pilot (Apr. 25, 2025); VCE [Response](#) to PG&E AL 7558-E-A (Apr. 22, 2025); PG&E [AL 7558-E-A](#) (Apr. 22, 2025); PG&E [AL 7558-E](#) (Apr. 2, 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); [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](#).

## 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 and for the revised methodology to be used in the October 2025 MPBs, and a Track 2 will consider broader issues.

**Recent Developments:** On April 8, the CPUC issued a [Scoping Memo](#) in Track 1 defining the current scope to include RA Market Price Benchmark (MPB) -related issues such as whether to expand RA transactions used to calculate the RA MPB to include transactions that were previously executed, whether all RA types – local, flexible, and system – should be combined into a single RA MPB, and whether to eliminate data that are duplicative or not otherwise reflective of market-based transactions from RA MPB calculations. On May 23, the CPUC issued a [Proposed Decision](#) adopting changes to the calculation of the RA MPB. This decision implements revisions to the methodology the Commission uses when calculating the RA MPB utilized in calculating the PCIA. The first revision adopts a single RA MPB utilizing the time restriction on transaction data currently applicable to the local RA MPBs. The second revision removes affiliate, swap, and duplicative sleeve transactions from the calculation.

**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:** The Proposed Decision may be heard as early as the June 26 Commission meeting. Comments on the Proposed Decision are due June 12 and reply comments are due June 17.

**Additional Information:** [Proposed Decision](#) (May 23, 2025); [Scoping Memo](#) (Apr. 8, 2025); 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 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:** On April 25, CalCCA released the [analysis](#) of its proposal for hourly RA transactions under the SOD framework which concludes that Californians could save over \$180 million in a single year from the adoption of hourly RA transactions. On May 22, the CPUC issued a [Proposed Decision](#) adopting Local Capacity Requirements for 2026-2028, Flexible Capacity Requirements for 2026, refinements to the RA program, and closing the proceeding. The Proposed Decision's RA program refinements include adopting a 18% planning reserve margin (PRM), with an extension of the effective PRM procurement target of 1,260-2,300 MW for June-October months, for the 2026 and 2027 RA compliance year, modifying the RA measurement hours to align with the CAISO availability assessment hours, adopting modifications to align with the CAISO's Extended Day-Ahead Market operation, and incorporating the central procurement entity data reporting requirements into the annual RA compliance filing process. The Proposed Decision does not adopt CalCCA's [proposal](#) to allow slice-of-day trading, but authorizes Energy Division to prepare a report on whether transactability issues exist in Q2 2026.

**Analysis:** The proposed 18% PRM is slightly higher than the current PRM, but well below previous PRM proposals that ranged up to 23% in some months. CalCCA's proposal, which was not included in the Proposed Decision, to allow hourly RA transactions would have allowed a CCA with surplus RA resources in an hour to sell those to a CCA with a deficit of RA resources in that same hour. This proposal would have increased efficiency in the RA market, result in greater utilization of resources, and reduce RA compliance costs significantly while providing the same level of RA to the system.

**Next Steps:** The Proposed Decision may be heard as early as the June 26 Commission meeting. Comments on the Proposed Decision are due June 11 and reply comments are due June 16.

**Additional Information:** [Proposed Decision](#) (May 22, 2025); CalCCA [Analysis](#) (Apr. 25, 2025); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

## 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:** On April 24, PG&E submitted [AL 7578-E](#) requesting approval of revisions to the sales framework for RA resources in its bundled procurement plan. On April 29, the CPUC issued a [Proposed Decision](#) that would grant, with modifications, the Long Duration Energy Storage Council's Petition for Modification of D.21-06-035 and clarify that long-duration energy storage (LDES) procurement requirements must be met with resources that discharge output over 8 or more hours at their maximum capacity and not with de-rated resources discharging at a level below their maximum rated capacity. On April 29, the CPUC issued a [Ruling](#) requesting comments on the Reliable and Clean Power Procurement Program (RCPPP) [Staff Proposal](#) ([Presentation](#), [Summary of Comments](#)). On May 29, Desert Community Energy (DCE) submitted [AL 13-E](#) requesting approval of a Mid-Term Reliability compliance swap with VCE.

**Analysis:** PG&E's AL 7578-E revises its methodology governing the sale of excess Resource Adequacy (RA) resources, which should increase the amount of RA available for purchase by other LSEs and help alleviate tight market conditions and support lower RA prices. The RCPMP is a long-term effort to further integrate procurement for RA, RPS, IRP, and GHG emission purposes in order to improve efficiency and facilitate LSE resource procurement. VCE's MTR Compliance swap will enable more efficient and cost-effective use of both CCAs' procured resources with VCE taking on about 3 MW of DCE's zero-emitting capacity obligation and DCE taking on about 2 MW of VCE's LDES obligation.

**Next Steps:** The Proposed Decision may be heard as early as the June 12 Commission meeting. Comments on the RCPMP Staff Proposal are due July 15 and reply comments are due August 5. Information about the 2025 IRP filing is expected soon.

**Additional Information:** DCE [AL 13-E](#) (May 29, 2025); ALJ [Ruling](#) (May 15, 2025); [Ruling](#) (Apr. 29, 2025); [Proposed Decision](#) (Apr. 29, 2025); PG&E [AL 7578-E](#) (Apr. 24, 2025); [Petition for Modification of D.21-06-035](#); [Amended Scoping Memo and Ruling](#) ([Correction/Clarification](#)) (Apr. 18, 2024); Docket No. [R.20-05-003](#).

## 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 June 3, the CPUC issued a Second [Revised Proposed Decision](#) on Phase 2 that would continue use of the surplus performance fees for program investments, encourage the consideration of affordability in PG&E's Volumetric Performance Fee (VPF) spending plan, and require PG&E to estimate the number of customers participating in or benefitting from each VPF project. Revisions require additional reporting by PG&E related to work funded by VPFs.

**Analysis:** Part of the Diablo Canyon extended operations includes funding for program investments. 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 (and subsequent revisions), 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 Revised Proposed Decision was held over to the June 12 Commission meeting.

**Additional Information:** [REV. 2](#) (Jun. 3, 2025) ([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](#).

## Building Decarbonization

**Background:** This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. 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:** N/A

**Analysis:** A March 26 [Proposed Decision](#) authorizing \$5 million annually for utility electric service line upsizing for under-resourced customers pursuing full electrification of a home or business, requiring measures to prevent unnecessary upsizing of electric lines is pending before the Commission.

**Next Steps:** The Proposed Decision was held over to the June 12 Commission meeting.

**Additional Information:** [Proposed Decision](#) (Mar. 26, 2025); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

## 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:** The PAO filed a [motion](#) to amend the scoping memo to include the following issues from A.24-11-007: 1) Whether a new rate schedule tariff should be adopted for large-load transmission-level customers with the goal to better align their rates with cost-causation principles and limit the potential for shifting costs of stranded and underutilized investment to existing customers (i.e., ratepayers); 2) Whether large-load transmission-level customers that connect to the grid should be considered a separate customer class for ratemaking purposes; and 3) Whether the significant, forecasted load increases from large-load transmission-level customers that connect to the grid may increase generation cost of service for other customers, and which measures could be implemented to prevent generation rate increases for other customers. CalCCA submitted a [response](#) supporting the motion; PG&E submitted a [response](#) generally supporting the motion, but with modifications. On May 2, PG&E submitted [AL 7588-E](#) updating the March 2025 deadline for changing its legacy agricultural time-of-use rates to Metered Demand to the new deadline of December 31, 2027 (an extension which has already been approved by the Commission).

**Analysis:** The change to Metered Demand rates for some agriculture customers was initially adopted as part of the D.18-08-013 Agricultural Settlement Agreement, but implementation has been delayed several times for agricultural customers that would be impacted the most by the resulting bill increases, and will continue to be delayed until at least the end of 2027.

**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:** PG&E [AL 7588-E](#) (May 2, 2025); [Scoping Memo](#) (Mar. 21, 2025); [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

## PG&E 2024 ERRR Forecast (Consolidated Track 2)

**Background:** See PG&E 2026 ERRR Compliance background. The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRR 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:** No recent developments.

**Analysis:** N/A

**Next Steps:** A proposed decision is expected in mid-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); [D.23-12-022](#) (Dec. 19, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRR Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRR Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

## PG&E 2024 ERRR Compliance

**Background:** The annual ERRR 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 April 16, parties submitted the [Joint Prehearing Conference Statement](#). PG&E disagrees with CalCCA's recommendation that the scope of the proceeding be expanded to include specific reference to whether PG&E made reasonable attempts to sell excess RA consistent with its Bundled Procurement Plan. On May 2, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) in PG&E's 2024 ERRR Compliance proceeding.

**Analysis:** In several recent years, PG&E has counted a significant volume of excess RA resources towards its incremental reliability procurement targets. CalCCA has probed PG&E's RA sales activities to ensure PG&E is making reasonable attempts to sell its excess RA to other LSEs (including CCAs) before using that excess towards its own incremental reliability procurement obligations, and the scoped issues for this proceeding include the issue of whether PG&E administered RA procurement and sales consistent with its Bundled Procurement Plan and whether it made reasonable attempts to sell excess RA.

**Next Steps:** Intervenor testimony is due September 10, a status conference on the need for evidentiary hearings is set for November 14, and briefs are due in early 2026.

**Additional Information:** [Scoping Memo and Ruling](#) (May 2, 2025); [Joint Prehearing Conference Statement](#) (Apr. 16, 2025); [Ruling](#) (Mar. 27, 2025); PG&E 2024 ERRR Compliance [Application](#) (Feb. 28, 2025); Docket No. [A.25-02-013](#).

## PG&E 2023 ERRR Compliance

**Background:** See PG&E 2024 ERRR Compliance background.

**Recent Developments:** On May 2, the CPUC issued a [Proposed Decision](#) approving PG&E's 2023 ERRR Compliance Application and closing the proceeding. The Proposed Decision requires PG&E to report on several outages in its next (i.e., 2026) ERRR Compliance filing and for the company to "submit Bundled Procurement Plan-required independent evaluator reports for completed resource adequacy solicitations held during the quarterly reporting period in its quarterly compliance reports submitted to the Commission regardless of whether the solicitations award any transactions."

**Analysis:** PG&E has since proposed confidential changes to the treatment excess RA sales in its Bundled Procurement Plan, which may increase the available supply of RA and relieve some price pressure in future years.

**Next Steps:** The Proposed Decision may be heard as early as the June 12 Commission meeting.

**Additional Information:** [Proposed Decision](#) (May 2, 2025); [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 ERRR Compliance [Application](#) (Feb. 28, 2024); Docket No. [A.24-02-012](#).

## PG&E 2022 ERRR Compliance

**Background:** See PG&E 2024 ERRR Compliance background.

**Recent Developments:** On April 23, the CPUC issued a [Proposed Decision](#) that approves the partial party [settlement agreement](#) between PG&E and the PAO, and does not adopt CalCCA's recommendations related to PG&E's excess RA sales.

**Analysis:** Although the Proposed Decision does not agree with CalCCA's arguments that PG&E did not comply with its obligations, it agreed with CalCCA that excess RA solicitations and market efforts are important issues that affect utilities, LSEs, and ratepayers. The Proposed Decision would take CalCCA's proposal to revisit the RA-related issues under advisement, and it notes the recent ERRR/PCIA Reform OIR that was approved at the Commission's February 20 meeting contained references to possible consideration of these issues.

**Next Steps:** The Proposed Decision may be heard as early as the June 12 Commission meeting.

**Additional Information:** [Proposed Decision](#) (Apr. 23, 2025); 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 ERRR Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

## PG&E 2021 ERRR Compliance

**Background:** See PG&E 2024 ERRR Compliance background.

**Recent Developments:** On May 12, the CPUC issued a [Proposed Decision](#) approving PG&E's 2021 ERRR recovery request with the exception of \$46 million in disallowed recovery related to a forced outage at Diablo Canyon and mismanagement of the Vantage Wind PPA, and about \$300,000 in disallowances related to 2021 Public Safety Power Shutoff events.

**Analysis:** N/A

**Next Steps:** The Proposed Decision may be heard as early as the June 26 Commission meeting.

**Additional Information:** [Proposed Decision](#) (May 12, 2025); 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 ERRR Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

## 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:** Responses and protests to the Application were filed May 1. A prehearing conference was held May 30.

**Analysis:** N/A

**Next Steps:** A scoping memo is expected.

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

## 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 builds 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:** On May 12, PG&E submitted [Advice Letter \(AL\) 7596-E](#) with updated CCA Financial Security Requirements and submitted a supplemental filing ([AL 7596-E-A](#)) on May 28. On May 28, the ALJ issued a [Ruling](#) providing parties the opportunity to comment on the CPUC guidance necessary to establish a procedural pathway to review non-IOU applications for POLR status.

**Analysis:** There is some uncertainty regarding the extent of the Commission's jurisdiction over a non-IOU serving as a POLR, whether there are any non-IOUs interested in serving as a POLR, and the Commission has proposed an application-based process that would allow interested non-IOUs to apply for POLR status and address requirements in more detail at that time.

**Next Steps:** Opening comments on the ALJ Ruling are due by June 13, and reply comments are due by June 20. A ruling on the need for legal briefs is expected in mid-2025 and resolution of the Threshold Questions is expected in Q2 2025, after which the primary topic areas will be addressed.

**Additional Information:** ALJ [Ruling](#) (May 28, 2025); PG&E [AL 7596-E](#) and [7596-E-A](#) (May 12 & 28, 2025); [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 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%. On May 29, an ALJ [Ruling](#) set the prehearing conference for June 25.

**Analysis:** N/A

**Next Steps:** Prehearing conference is scheduled for June 25.

**Additional Information:** ALJ [Ruling](#) (May 29, 2025); [Application](#) (Mar. 20, 2025); Docket No. [A.25-03-010](#).

## 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 focused on developing safety culture assessments for the large electric and natural gas IOUs, and Phase 2 will develop safety culture assessments for small multi-jurisdiction utilities and the gas storage operators.

**Recent Developments:** On May 22, the Safety Policy Division announced that the kick-off meeting of the Utility Safety Culture Working Group will be held on June 12. A prehearing conference was held May 27.

**Analysis:** N/A

**Next Steps:** The kick-off meeting of the Utility Safety Culture Working Group will be held on June 12. 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](#).

## 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:** No recent developments.

**Analysis:** N/A

**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:** [Scoping Memo](#) (Mar. 27, 2025); [Joint Prehearing Conference Statement](#) (Jan. 17, 2025); [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

## 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:** No recent developments.

**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](#).

## Other Dockets

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

Docket	Name	Status
<a href="#">R.19-09-009</a>	Microgrids	<a href="#">D.24-11-004</a> adopting implementation rules for multi-property microgrid tariffs and closing the proceeding was issued November 18. Proceeding reopened for pending <a href="#">Application for Rehearing</a> .
<a href="#">R.23-03-007</a>	Wildfire Fund NBC 2024-2026	The CPUC issued <a href="#">D.24-12-001</a> (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.
<a href="#">A.22-05-002</a>	Demand Response Programs (2023-2027)	<a href="#">D.24-04-006</a> , 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 by <a href="#">Petition for Modification</a> (Feb. 2025).
<a href="#">A.21-06-021</a>	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.