PACIFIC GAS AND ELECTRIC COMPANY
Affordability Order Instituting Rulemaking
Rulemaking 18-07-006
Data Response

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PG&E Witness:	Various	Requester:	Bridget Sieren-Smith

SUBJECT: 2025 SB 695 Report IOU Recommendations to Limit Cost and Rate - Increases (Electric and Gas IOUs) – Part II

QUESTION 001

This data request is issued regarding proposed recommendations of the electric and gas investor-owned utilities (IOU) to limit cost and rate increases consistent with the state's energy and environmental goals for reducing greenhouse gases, pursuant to Public Utilities Code Section 913.1 which requires the utilities to:

> "…study and report to the commission on measures that they recommend be undertaken to limit costs and rate increases."

In preparing your utility's response, the IOU should be as specific as possible in identifying and quantifying specific potential cost savings initiatives.[1]

Electric and gas utilities (PG&E and SDG&E) are to clearly indicate that their response(s) cover gas.

The data provided in the response will be included in its entirety in an appendix to the 2025 SB 695 Report.

ANSWER 001 – REVISED 01

Pacific Gas and Electric Company (PG&E) reaffirms our commitment to addressing the issue of affordability of energy bills for our customers, and shares in the Commission's mission to ensure our customers receive safe, reliable, clean, *and* affordable utility service at just and reasonable rates.[2] Affordable and quality service is central to PG&E's goals, as we seek to balance the growing demand for clean energy with the need to support the financial well-being of our diverse customer base. In this response,

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1 Data reflecting rates trends, cost recovery mechanisms, types of cost recovery proceedings, and other data non-specific to studying and reporting on measures recommended to limit cost and rate increases should not be included, except to the extent that such data directly supports the recommendations.

2 California Public Utilities Commission, *2024 Senate Bill 695 Report: Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases Pursuant to Public Utilities Code Section 913.1,* p. 3 (July 2024).

PG&E provides measures and recommendations in furtherance of these goals. This response covers all of PG&E's services, including gas.

I. Rate Design

PG&E understands how important it is to our customers that we keep monthly electricity and gas costs affordable while maintaining safe and reliable service.

Since the issuance of Decision on Residential Rate Reform (D.15-07-001) nearly a decade ago, the energy sector in California has seen rapid changes, including technology innovations, new market entrants and expanded customer choice. Further, the state has continued to pursue efforts consistent with its vision for a clean electric future for California that includes a path to a 100 percent greenhouse gas (GHG)-free electricity future (as evidenced by the passage of SB 100 in 2018). Critical to this future is a robust electric network that enhances reliability and safety, is affordable, and allows all Californians to equitably benefit from and finance this clean energy future.

To support this clean electricity future, in which customers have more choice than they had in the past, the rate architecture needs to continue to evolve and ultimately transition to a structure under which customers pay for the network separately from paying for the electrons. Great progress has been made in California in recent years through the Commission's leadership on residential rate reform. Reducing the emphasis on tiered pricing, beginning the transition toward more cost-based time-of-use (TOU) rates, and implementing income-graduated fixed charges that reduce artificially high volumetric rates are three significant accomplishments thus far that have been implemented (or soon will be) since the Commission's Residential Rate Reform proceeding.[3] By reducing volumetric rates (particularly upper-tier rates on tiered rate schedules), these reforms encourage electrification and help achieve the state's clean air policy goals.

Relying almost exclusively on volumetric rates for residential customers, even if differentiated by TOU, is not sustainable, as such designs do not reflect the way actual costs are incurred. In the absence of reasonable fixed charges that collect at least a portion of utility fixed costs, higher-usage customers are forced to pay disproportionate shares of PG&E's fixed costs and thus subsidize lower-usage customers. Moreover, an inclining block tiered rate structure exacerbates these subsidies from higher-usage customers to lower-usage ones.

Such rate structures, where volumetric electric rates (and, particularly, volumetric upper-tier rates) end up being set far in excess of the actual marginal costs of generating and delivering electricity, provide economically inefficient price signals to customers. They also run counter to the public policy objective of encouraging building electrification via customers switching from appliances/equipment that use natural gas to those that use electricity in order to reduce emissions. Customers facing the choice between gas or electric appliances/equipment that provide the same service (for example, a residential

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[3] The Commission also implemented two other beneficial rate reforms in recent years: (a) approving PG&E's new pro-electrification TOU rate with a fixed charge, Schedule E-ELEC (which PG&E began offering to customers on December 1, 2022); and (b) eliminating the high-usage surcharge of PG&E's tiered Schedule E-1 rate (which PG&E implemented on January 1, 2023). Both actions resulted in more cost-based rates which help achieve the state's goals of decarbonization through electrification.

household deciding whether to heat its home with a gas furnace or with an electric heat pump, or to obtain its hot water with a gas water heater or an electric heat pump water heater) will be less likely to choose the electric option if electric volumetric rates a+/e set at artificially high levels – since doing so will lead to a much higher bill.

For electrification to succeed, it is critical to reduce volumetric electric rate levels to achieve the desired emissions reductions. This can be accomplished via a number of changes to electric rate designs, summarized in bullet form below (and further described in the following three sub-sections):

- Increasing fixed charges to collect a greater, more reasonable, portion of utility fixed costs, resulting in lower volumetric electric rates;
- Further reforming tiered rate structures for electricity to either eliminate non-cost-based tiered prices or, at minimum, reducing the magnitudes of the price differentials between tiers; and
- Further reforming the compensation provided to customer-generators with on-site solar systems via Net Energy Metering (NEM).

Fixed Charges Coupled With Lower Volumetric Rates

As noted above, a critical step to fair and equitable rates is the implementation of a fixed charge for residential customers to recover fixed costs that do not vary with usage. In 2013, the Legislature enacted Assembly Bill (AB) 327, which permitted a modest fixed charge subject to an inflation-adjusted cap. More recently, in 2022, the legislature enacted AB 205, which eliminated the cap on the fixed charge and, instead, authorized the Commission to implement an income-graduated fixed charge with at least three income categories wherein customers with higher incomes pay higher fixed charge amounts.[4] The Commission did just that after evaluating proposals from the utilities and intervenors in its Demand Flexibility OIR proceeding (R.22-07-005). In May 2024, the Commission issued Decision 24-05-028 directing PG&E to implement three income-graduated fixed charges, as follows:

- Tier 1: a fixed charge of $6.00 per month for customers enrolled in PG&E's California Alternate Rates for Energy (CARE) program;
- Tier 2: a fixed charge of $12.08 per month for customers who are either (a) enrolled in PG&E's Family Electric Rate Assistance (FERA) program or (b) living in affordable housing restricted to residents with incomes at or below 80 percent of Area Media Income; and
- Tier 3: a fixed charge of $24.15 per month for all other customers.

While PG&E advocated for even larger fixed charge levels than those adopted by the Commission, it nevertheless supports the income-graduated fixed charges ordered by

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[4] AB 205 also authorized the Commission to do away with the "Composite Tier 1 Methodology" it had utilized historically for designing tiered rates. This methodology had the effect of restricting the use of fixed charge revenues for the sole purpose of reducing Tier 1 rates while leaving upper-tier rates unchanged. Its elimination helps the achievement of the state's electrification goals by permitting decreases to high upper tier rates (which would otherwise disincentivize customers from purchasing electric appliances/equipment).

D.24-05-028, which for PG&E will be implemented in the first quarter of 2026,as a crucial step in reforming residential rates. Residential fixed charges are consistent with rate design policies adopted by public utility regulators around the country and are similar to the fixed monthly charges that have been in all of PG&E's non-residential rates for decades. The addition of fixed charges to residential rates will result in a more cost-based rate design that will spread costs to customers in a more equitable way based on the fixed costs to serve them. More importantly, the resulting volumetric electric rates will be lower and closer to marginal costs of service, providing critical incentives for customers to switch to cleaner electric appliances and equipment.

Eliminating Steeply - Tiered Residential Rates

Since 2010, PG&E has been advocating for fewer tiers in residential rates, along with smaller price differentials between tiers. In July 2015, in D.15-07-001, the CPUC adopted a multi-year "glide path" trajectory that represented an important step in that direction, reducing the number of tiers and gradually reducing the ratio of the Tier 2 rate to the composite Tier 1 rate.[5] Currently, as of January 1, 2025, the ratio between PG&E's Tier 2 and composite Tier 1 rates is set at the 1.25-to-1 final glide path ratio directed by D.15-07-001.[6] But, while an improvement over the situation that existed in 2015, a 1.25-to-1 ratio still over-charges customers for usage above their baseline amount, while subsidizing customers whose usage stays in Tier 1. Furthermore, the magnitude of the cent-per-kWh differential between the Tier 1 and 2 rates now exceeds $0.10/kWh. As noted above, a differential of this magnitude is not cost-based, results in a large subsidy from upper-tier users to lower-tier ones. Moreover, it critically disincentivizes customers from switching to cleaner electric appliances, since such purchases will likely drive electric usage of Tier 1 users into the higher-priced Tier 2. In its 2023 GRC Phase II Application,[7] PG&E has proposed to reduce this differential to $0.06/kWh, and freeze it at that level until it is further addressed in a future rate design proceeding.[8]

Rate structure and compensation for Net Energy Metering (NEM)

The NEM tariff allows customers with on-site generation (primarily rooftop solar photovoltaic (PV) equipment) to receive a retail-based credit (for generation plus transmission and distribution rates less certain public purpose program and other non-by-passable charges) for the energy they send out to the grid to offset the cost of their

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5 The Tier 1 rate applies to usage between zero and the customer's baseline amount, while the Tier 2 rate applies to usage above baseline. The composite Tier 1 rate is calculated by adding any revenues from a fixed charge or a minimum bill amount to Tier 1 energy revenues, then dividing by Tier 1 sales. Thus, the composite Tier 1 rate exceeds the nominal Tier 1 rate actually paid by customers for Tier 1 kWh usage.

6 Because the composite Tier 1 rate exceeds the actual Tier 1 rate, the resulting nominal rates have a ratio that exceeds 1.25-to-1.

7 Application of Pacific Gas and Electric Company to Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design. (U39E), Application 24-09-014 (Sept. 20, 2024).

8 It is worth noting that Schedule E-TOU-C, the default TOU rate schedule approved by the CPUC, while providing better price signals to customers to shift their electric usage from high-cost peak hours to low-cost off-peak ones, still has a two-tiered structure that disincentivizes customers from switching to electric appliances.

consumption within the month and within an annual true-up period.[9] This results in residential NEM customers being compensated over $0.30/kWh for electricity that, according to the CPUC's 2024 Avoided Cost Calculator, is worth approximately $0.05/kWh.

This 20+ cent premium is paid by non-participating customers, resulting in a cost shift. As of December 31, 2024, the estimated annual NEM cost shift for PG&E customers was $3.8 billion, making electric rates approximately 18% higher than they would in the absence of the NEM cost shift. The December 2022 NEM Decision (D.22-12-056) replaced NEM with a "Net Billing Tariff (NBT)," which instead compensates all exported electricity according to CPUC's Avoided Cost Calculator. This, combined with other changes, is estimated to reduce the cost shift from future NBT eligible installations by about 50%. NEM 2.0 eligibility ended on April 15, 2023. PG&E received an unprecedented number of applications between D.22-12-056 and the sunset date from customers and installers seeking to interconnect under the legacy tariff. Between the backlog of NEM 2.0 eligible applications that will continue to interconnect over the next three years and the significant residual cost shift resulting from NBT installations, while the burden on non-participants will grow at a slower pace than it has historically, NEM/NBT will continue to be a source of affordability pressure for the foreseeable future.

PG&E believes that these residential rate design and NEM reforms can have a beneficial near-term impact on its cost of delivering safe and reliable gas and electric services to its customers, as well as more fairly charging customers rates which better reflect PG&E's cost to serve them – all the while incenting building electrification policies by making electric service more affordable to higher-usage customers.

II. Simple Affordable Model

California needs us to meet the challenges of rising energy demand and extreme weather conditions while ensuring our customer bills are affordable.

How will we do it? Through our Simple, Affordable Model.

The Model pairs together annual customer capital investment of 9-10 percent with limited customer bill growth of 2-4 percent through 2028.

Bridging that gap between investment growth and bill growth will rely on three key areas:

- Reducing operating and maintenance costs
- Lowering our financing costs
- Increasing beneficial electric load to meet new demand

[9] The 2016 NEM successor tariff decision, Decision (D.)16-01-044, required customers to pay certain non-bypassable charges on all usage not offset by on-site generation, reducing some of this cross-subsidization.

Waste Elimination Efforts

PG&E continues to mature its Lean Operating System which is designed to drive more effective and responsive decision-making, reduce the challenges many of us face in our day-to-day work, and deliver better outcomes for our customers. Waste Elimination is one of the five basic plays of a Lean Operating System.

Waste Elimination is defined as removal of non-value-added work from a process, allowing PG&E to complete more value-added work with the same resources. The result allows PG&E to deliver more value to our customers (or what they expect and value from PG&E). The waste elimination program oversees projects that are working to eliminate specific types of Lean Waste such as transportation, inventory, motion, waiting, over production, over processing, defects, and skills. The focus on Waste Elimination at PG&E has two important goals: 1) Building organizational knowledge to enable employees to see waste and eliminate it in their day-to-day work and 2) Driving waste elimination projects and programs that realize improvement benefits. Below are some of the waste elimination projects PG&E has in progress.

In 2024, we saved more than $1 billion in operating and capital costs by managing more than 250 initiatives to reduce materials, labor and other costs and more efficiently plan, execute and automate our work to deliver for our customers. Examples include:

- Identifying, planning and executing electric safety and reliability work more efficiently ~$211M savings: Includes Comprehensive Pole Inspection Program using drones and boring into the pole to assess pole condition, helping identify and prioritize the right work, and complete it 50% faster than our previous standard; bundling electric powerline projects into a single scope of work instead of doing individual jobs separately on a section of powerline, reducing customer inconvenience from planned outages and resources deployed.

- Changing how we manage waste material removed during excavation projects ~$6.4M savings: Using natural soil, rocks and debris taken out during trenching or other excavation to back-fill. Eliminates the cost of testing, transporting and disposing of excavated soil, rocks and debris in landfills, as well costs of bringing in additional construction materials to fill the excavation.

- Refining paving restoration processes ~$47M savings: Revisiting many aspects of our paving process including bundling projects, permitting and restoration methods, partnering with local governments and vendors, and scheduling of work, all to more effectively deliver safe and quality paving services to communities.

- Selling surplus PG&E owned property ~$33M savings: Assessing our coworkers' and customers' current and future office needs, servicing or other commercial/operations space throughout our service area and reducing our real estate portfolio by selling surplus property. We pass proceeds from sales and savings on maintenance costs and taxes to our customers.

- Reducing new service project cancellations, $14M savings: We're streamlining our application process to more quickly evaluate projects, saving money and making for a better customer experience.

- Improving the solar customer experience, $1.5M savings: Increasing customer satisfaction by reducing NEM set up errors, delayed bills and unnecessary billing and service calls.

PG&E is continuing to mature the waste elimination journey in 2025 and will look for further opportunities to make our company more efficient and affordable.

Securitization

PG&E has identified and evaluated two alternative debt financing mechanisms. It should be noted that these alternative mechanisms would not be used to increase the proportion of debt in PG&E's capital structure, since doing so would raise the cost of equity and not reduce the overall cost of financing.

Since 2021, PG&E has issued securitized debt totaling $3 billion authorized by AB1054. PG&E anticipates that the cost savings to customers from these securitizations is about $65 million per year on average. However, there is a limit to the total amount of securitized debt that can be outstanding at any one time, and as that limit is approached, the credit ratings of securitized debt fall and the cost advantage may not be realized.

PG&E is also considering capital leases as another alternative to reduce financing costs. Generally, leasing is not a more cost-efficient form of debt financing for PG&E, but there may be specific transactions in which leasing may present a lower cost alternative. PG&E will evaluate any opportunities that appear promising.

Load Growth Opportunities

Over the last 15 years, energy use has been decreasing in CA due to rooftop solar and energy efficiency. Now, with the growing electricity demand from electric vehicles (EVs) and data centers, there is an opportunity to spread costs out over more sales. Under the right conditions, this incremental load opportunity can benefit all customers by lowering the unit cost of energy, fully utilizing the grid, and decarbonizing our economy. So long as the incremental revenue exceeds the marginal costs to connect and serve new load, our existing customers' rates would decrease, all else equal.

EVs have more potential benefits as they can provide both incremental and flexible load. This dynamic demand can be leveraged to "fill the belly of the duck" to support more affordable energy for all customers.

Liability Self-insurance Program

PG&E established a self-insurance program for its wildfire liability coverage, as approved in D.23-01-005. Some key terms of the program are: (1) PG&E's wildfire liability insurance will consist of self-insurance only beginning in 2023; (2) wildfire self-insurance was funded at $400 million for 2023; (3) for each year during 2024-2026, the

self-insurance funding may be adjusted annually to reflect prior year's claims activity and to limit total available self-insurance to a maximum of $1 billion; (4) PG&E is authorized to collect the actual costs of claims incurred, less a 5 percent deductible of the annual claims total (up to a total $50 million deductible) that is not subject to recovery in rates; and (5) PG&E will credit any investment proceeds earned on customer-funded self-insurance amounts back to customers.[10]

Self-insurance for wildfire liability instead of traditional commercial policies benefits customers. First, unlike commercial policies where the premium is paid whether the coverage is used or not, unused self-insurance remains available for use in future years. This can result in significant customer benefits compared to commercial insurance in years when PG&E's claims are low. Additionally, unlike commercial policy premiums that are typically due upfront at the beginning of a policy period, payments from self-insurance to satisfy claims often occur years after a wildfire event, allowing the self-insurance funding to be collected over time. Further, PG&E will avoid paying taxes and fees associated with the purchase of commercial insurance.[11]

Initial customer funding for insurance is significantly lower under the self-insurance framework adopted under the Wildfire Liability Insurance Settlement compared to the prior status quo of purchasing commercial insurance. For example, for 2023, the approved funding for self-insurance is $400 million, which is $307 million less than PG&E's original 2023 GRC forecast. The total revenue requirement [and, therefore, the potential for total savings for customers] under the adopted self-insurance approach is dependent on the total amount of claims incurred for the 2023 GRC period.[12] For this reason, scenarios cannot guarantee certain outcomes. In a best-case scenario, where no claims are incurred over the four-year GRC period (2024-2027), the self-insurance framework could result in customer savings of up to $1.8 billion dollars compared to commercial insurance. In a worst-case scenario, for example where PG&E experiences full-limit, $1 billion losses or greater in each year of the 4-year GRC period, the self-insurance framework could cost more than commercial insurance by up to $1.125 billion.[13] In approving the Wildfire Liability Insurance Settlement, the Commission found that "In any year during the 2023-2026 period, PG&E's wildfire liability insurance cost through self-insurance pursuant to the Settlement is likely to be less than the cost of commercial insurance for $1 billion of coverage."[14]

The wildfire self-insurance program has been positive. For the year 2023, there were no accrued wildfire claims. For the 2024 year, the analysis continues and further details regarding accrued wildfire claims will be provided in PG&E's Wildfire Self-Insurance

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10 (See D.23-01-005, Appendix 1, Settlement Agreement Between Pacific Gas and Electric Company, The Utility Reform Network, and The Public Advocates Office at the California Public Utilities Commission on Wildfire Liability Insurance Issues ("Wildfire Liability Insurance Settlement")).

11 D.23-01-005, FOF 7.

12 See D.23-01-005, FOF 5.

13 *See* Joint Motion of PG&E, TURN and Cal Advocates for Expedited Approval and Adoption of the Attached Settlement Agreement on Insurance Related Issues and D.23-01-005, Appendix B, Illustrative Calculation Reflecting the Worst-Case Scenario – Cost Recovery for Undercollections at the End of the 2023 GRC Period.

14 D.23-01-005, FOF 6.

Advice Letter filing on April 1, 2025, the total accrued claims for year 2024 are anticipated to be low enough for PG&E to reduce the 2025 RRQ for wildfire self-insurance for CPUC jurisdictional customers.

PG&E's wildfire self-insurance fund is expected to reach $1 billion by year end 2025, attributable to 1) the significantly reduced wildfire accrued claims in years 2023 and 2024 and 2) approval from FERC to collect proportional costs from TO customers (for years 2024 and 2025). For the year 2025, the Wildfire self-insurance RRQ is $0 for CPUC customers and $104 million for TO customers.

Given the experience with a wildfire self-insurance program, PG&E is seeking to create a similar self-insurance program for it non-wildfire liability coverage. On December 20, 2024, PG&E, TURN, and Cal Advocates jointly filed a Petition for Modification (PFM) of PG&E's 2023 GRC Decision focused on *repurposing* (no requested RRQ increase) a portion of the non-wildfire liability insurance RRQ for the remainder of the 2023 GRC period (2025 and 2026 PY) to be used to create a non-wildfire self-insurance fund. The fund is calculated to provide long-term customer benefits, primarily because once the fund reached its targeted level, then a RRQ will no longer be collected from customers in rates. The non-wildfire self-insurance fund is proposed to operate nearly identical to the wildfire self-insurance fund described above. Assuming no losses, customers are estimated to start experiencing partial savings in the year 2029 (est. $50-75M) and may experience increased savings in 2030 and beyond (est. $100M – $125M per year).

III. Securitization of Wildfire O&M Costs

PG&E supports Commission authorization to securitize wildfire mitigation-related O&M costs as an additional financial tool to mitigate rate impacts. The Commission previously has authorized securitization of wildfire capital expenditures based on the economic benefits (i.e., customer cost reduction) as the sole standard of measure for the value of the proposal for securitization. However, securitizing wildfire mitigation-related O&M costs may result in other important customer benefits, such as promoting rate stability or reducing near-term costs (e.g., to mitigate rate impacts of vegetation management until ongoing system hardening work can be completed).

PG&E has filed an application, which remains pending, that relies on existing statutory mechanisms to securitize wildfire mitigation-related O&M costs to refund up to approximately $2.3 billion to customers in the near term – resulting in a bill savings of up to ~$16/month on average (or ~$190/customer) for a 12-month period.

IV. Outside Sources of Funding

PG&E actively pursues outside sources of funding that can bring bill relief to customers. Building on the success of past results in this area, in 2024, PG&E in partnership with other entities such as other IOUs, state agencies, tribal governments, universities, labor unions, community-based organizations and other non-profits successfully applied for and was selected for several US Department of Energy (DOE) grants. PG&E efforts to identify, evaluate, prioritize, and purse these funding activities are outlined in the utilities' quarterly fillings as required by CPUC Resolution 5254. Most notably in late 2024, PG&E in partnership with the California Energy Commission (CEC), the CPUC and other entities were conditionally awarded a DOE grant of $630.6 million for California Harnessing Advanced Reliable Grid Enhancing Technologies for

Transmission (CHARGE 2T). CHARGE 2T will expand transmission capacity through the deployment of advanced conductors and new technologies which will help the State meet its energy needs. In addition to this historic application, PG&E as a lead applicant or in partnership with other entities has been selected for, or awarded, six other DOE grant or cash incentive programs totaling approximately $88 million in federal funds.

As recently as January 2025, PG&E and the US Department of Energy's DOE Loan Program Office's (LPO) finalized a $15 billion loan guarantee through the Title 17 Clean Energy Financing Program. The loan is intended to finance grid modernization projects and potentially save customers up to $1 billion net present value. The loan guarantee is designed to align with state policy goals on lowering electricity costs for customers. Savings from the lower-cost financing would be used to lower customer bills.

PG&E is also currently pursuing three active applications and five on the horizon for 2025 with the DOE and CEC as both a lead applicant and in partnership with other entities. These projects have the potential to bring millions of federal dollars to California to fund the State's energy infrastructure needs.

Beyond these federal sources PG&E is pursuing several other sources of funding including the recently approved state climate bond (Proposition 4) to fund clean vehicles, grid upgrades, wildfire mitigation, etc.; and the funding capacity upgrades through the low carbon fuels standard (LCFS) program. PG&E is committed to working with stakeholders on these initiatives and other proposals to find opportunities to alleviate rate pressures on our customers.

V. Legislative Efforts

PG&E would support a mechanism to fund the Public Purpose Program (PPP) surcharge on electric customers through the state's General Fund or through other sources such as the Greenhouse Gas Reduction Fund while continuing to offer these programs as appropriate. PG&E knows how important it is to keep monthly utility costs affordable while maintaining safe and reliable service. This approach would lower the energy burden on our electric customers where we are increasingly concerned our customers are experiencing the effects of inflation. Programs and initiatives with broad societal benefits should not be borne by utility customers; instead, they should be funded more equitably among California's taxpayers or other non-utility sources.

VI. Eliminating High-Cost Mandates and Streamlining Procurement Planning

PG&E supports the elimination of costly procurement mandates and consolidation of procurement processes to ensure that customers' energy demand is met by the least cost portfolio of resources. Currently, PG&E is required to procure specific resources under several expensive programs that increase generation costs for customers compared to more cost-effective technologies. These programs, which include BioMAT, ReMAT, and BioRAM, should be eliminated.

Additionally, procurement oversight is split across several proceedings which are costly to participate in and complex to navigate. Procurement oversight should be streamlined under the Integrated Resources Program (IRP), and, specifically, the existing Renewable Portfolio Standard (RPS) proceeding should be integrated within the IRP.

This would reduce administrative costs for load serving entities, intervenors, and the CPUC to the benefit of customer affordability.