Evaluating the Drivers of PG&E Electricity Rate Growth

Claire Huang, Regulatory Analyst II
Michael Quiroz, Senior Regulatory & Data Analyst

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Executive Summary

Pacific Gas & Electric's ("PG&E") electricity rates, spending to provide electricity services, and customer electricity bills have all increased at a rate above inflation for most of the 2010s and 2020s. This paper explores the drivers of rate increases from 2012–2026, based on an array of publicly available data from state and federal regulatory filings by PG&E, and offers approaches for limiting future rate and bill increases.

California consistently ranks among the top three states with the highest residential electricity rates in the nation. Adjusted for inflation, PG&E's average electricity rate increased by approximately 49% from 2019 to 2024, followed by a decrease of 16% from 2024 to 2026. Rate increases drive higher household electricity bills, worsening affordability challenges for families already burdened by high housing, healthcare, and food costs. High rates also threaten the state's clean energy transition by eroding the financial advantages customers receive from electrification.

Finally, although rising rates are largely driven by the costs of adapting to climate impacts like extreme wildfires, rising electricity bills may make the public more receptive to claims blaming California's climate policies for high energy costs. This study makes clear that the largest driver of recent electricity cost, rate, and bill increases in California is responding to climate change (e.g., wildfire mitigation) rather than preempting it (e.g., clean energy procurement).

To investigate the drivers of rising electricity rates, Ava Community Energy analyzed PG&E costs and rates as stated in state and federal regulatory filings. Key findings include:

1. **Rate increases have been persistent but accelerated in the early 2020s.** PG&E rate increases have consistently outpaced inflation for more than a decade. Growth was relatively gradual until a sharp increase from 2021 to 2024. The sharp increase focused public attention on long-building affordability challenges. Decreases in rates from 2024 to 2026 have not offset prior rate increases.
2. **Distribution expenditures are a major driver of recent rate increases.** The rate component associated with distribution costs increased sharply between 2023 and 2024, surpassing all other rate components for the first time in more than a decade.
3. **Wildfire mitigation investments are the primary driver of rising distribution expenditures.** Approved distribution expenditures increased substantially over the study period, primarily driven by investments in wildfire mitigation measures. Vegetation management and undergrounding account for the bulk of approved wildfire-related costs. These investments may be misaligned with the relative cost-effectiveness and risk reduction potential of alternative strategies such as overhead hardening, fast-trip settings, and Public Safety Power Shutoffs.

4. **Substantial capital investments indicate transmission and distribution rates may remain high in the future.** Because capital costs are recovered over asset lifetimes, PG&E's rising distribution and transmission capital account balances suggest these rate components will remain high or continue to increase in the future.
5. **Inconsistent reporting and fragmented cost recovery processes make it difficult to fully assess utility spending.** Inconsistent cost categorization and approval processes between General Rate Case ("GRC") cycles, paired with the complexity of filings to state and federal agencies, impede stakeholders' ability to track the total impact of approved utility spending on customer rates. Additionally, utilities seek cost recovery in numerous proceedings outside of GRCs, making it difficult for stakeholders to allocate resources for reviewing and contesting spending.
6. **Headcount for the California Public Advocates Office ("Cal Advocates") has remained constant since 2017.** Despite the growing volume of costs for which PG&E is seeking approval and the increasing number of proceedings in which those costs are reviewed, Cal Advocates staffing levels have remained relatively consistent since 2017. As a result, Cal Advocates is being asked to do more work with the same resources, potentially constraining its ability to act as an essential ratepayer safeguard.

Ava Community Energy recommends actions to reduce information asymmetry in cost and rate approval processes, enable clearer stakeholder oversight over investor-owned utility ("IOU") spending, and address California's affordability crisis while preserving progress toward decarbonization. Recommendations are:

1. **Standardize accounting rules and require explanation of changes between GRCs.** The California Public Utilities Commission ("CPUC") should require IOUs to 1) publish requested costs in a standardized, tabulated format organized by major work category, 2) provide a list of major work categories with detailed descriptions and explanations of changes from the previous GRC, and 3) maintain consistency in cost categorization across GRC cycles and across IOUs.
2. **Consolidate IOU rate and cost proceedings.** Substantial IOU expenditures are recovered in ad hoc proceedings outside of the GRC, obscuring the total amount and impact of IOU spending. Reasonableness reviews and the recovery of expenditures recorded in balancing accounts should be consolidated with the GRC wherever it is practical to do so. This would reduce the fragmentation of cost approval and allow intervening parties to more efficiently review and contest costs.
3. **Maintain consistency in CPUC decisions that approve IOU costs.** To better enable stakeholders to analyze approved IOU spending over time, the CPUC should ensure all costs are addressed within the Conclusions of Law in its decisions addressing the GRC. The CPUC should also publish approved spending in a consistent, tabulated format.

4. **Increase Cal Advocates staffing.** Given the increasing amount of costs proposed and number of proceedings in which costs are reviewed, Cal Advocates may benefit from more resources to evaluate and contest IOU spending.
5. **Increase CPUC audit capacity to ensure IOU spending is occurring as authorized.** Despite existing legislative requirements, the CPUC does not regularly audit IOU spending to verify that expenditures approved in each GRC were spent as authorized. Absent such oversight, ratepayers face the risk of funding the same activities multiple times, approved activities not happening, and funds being redirected for activities never authorized in the GRC. The CPUC should increase its audit capacity to systematically conduct retrospective reviews when evaluating new IOU revenue requests in each GRC cycle.

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I. Introduction

California consistently ranks among the top three states with the highest residential electricity rates in the nation.[1] Adjusted for inflation,[2] Pacific Gas & Electric's ("PG&E") average electricity rate increased by approximately 49% from 2019 to 2024, followed by a decrease of 16% from 2024 to 2026.[3]

Although California's robust energy efficiency and conservation efforts have shielded many households from even larger bill increases,[4] the consequences of persistently high electricity rates are far-reaching. For many California households already burdened by the high cost of housing, healthcare, and food, rising energy bills exacerbate an ongoing affordability crisis. Despite the state's expansive energy and non-energy low-income assistance programs, a significant number of customers struggle to keep up with electricity bill payments.

In addition to their economic impact, high rates also undermine California's climate and electrification goals. Historically, operational cost savings associated with replacing fossil-fuel end uses—for example, switching from gas heating to electric heat pumps or from internal combustion vehicles to electric vehicles—have been a key driver of consumer adoption. As electricity rates increase, the relative cost advantage of electrification diminishes, potentially slowing uptake of clean technologies. PG&E has acknowledged the impact of rates on electrification and expressed commitment to a clean and electrified grid.[5]

Finally, affordability challenges create a political vulnerability. Rising rates, while primarily driven by costs for adapting to climate change impacts such as extreme wildfires, may make the public more receptive to claims from fossil fuel interests that blame California's climate policy for high energy costs. Preserving affordability is not only essential for household economic stability, but also for maintaining the public support necessary to advance California's decarbonization goals.

To investigate the drivers of electricity affordability challenges in California, Ava Community Energy ("Ava") analyzed the underlying costs driving increasing electricity rates, as reported by

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[1] Energy Information Administration, Table 5.6.A. Average Price of Electricity to Ultimate Customers by End-Use Sector (2025).

[2] Ava adjusted all data for inflation to 2024 $ based on the U.S. Bureau of Labor Statistics Consumer Price Index. 2024 was the most recent year with finalized CPI data at the time of developing this report.

[3] PG&E, *Annual Electric True-up Advice Letters, Revenue Allocation and Rate Design Tables* (2018–2025).

[4] Lara Ettenson, Natural Resources Defense Council, *California's Golden Energy Efficiency Opportunity* (2016).

[5] Paul Doherty, *PG&E's Clean Energy Goals Shared at Climate Week New York City* (2025); *Pacific Gas and Electric Company Commercial Electric Vehicle Rate Proposal Prepared Testimony*, A.18-11-003 (November 5, 2018), Appendix B, Electric Power Research Institute Commercial Electric Vehicle Rate Design: Stakeholder Interview Results, p. v.

PG&E in state and federal regulatory filings. Other organizations (e.g., Natural Resources Defense Council, Legislative Analyst's Office, California Public Advocates Office, Lawrence Berkeley National Laboratory, and Little Hoover Commission) have conducted similar studies on the drivers of increasing electricity bills.[6] Ava sought to validate and build on these analyses by reviewing detailed cost categories across multiple primary sources. Notably, Ava's analysis examines several schedules from the Federal Energy Regulatory Commission ("FERC") Form 1 to understand PG&E's historical costs, as well as the detailed categories within PG&E's proposed and approved distribution system costs in its General Rate Cases ("GRCs") to investigate the drivers of the recent spike in distribution costs and, subsequently, rates.

II. Data Sources

A. Electricity Consumption

Electricity rates reflect the relationship between the total costs a utility must recover (known as the revenue requirement) and the volume of electricity sold to customers over which those costs are distributed. As such, the volume and composition of electricity consumption represent key factors in evaluating the impact of costs on rates. To assess customer consumption patterns, Ava analyzed data from the California Energy Commission's 2024 Baseline Energy Demand Forecast (Forms 1.1 and 1.1b). The dataset spans 2012 through 2023, the most recent historical year available.

B. Capital Costs and Expenses

To analyze trends in PG&E's cost structure, Ava evaluated data from PG&E's FERC Form 1 filings and PG&E's two most recent GRCs covering 2020–2022 and 2023–2026. Ava used data from FERC Form 1 to illustrate trends in PG&E's historical *actual* costs, as reported to FERC, from 2012 through 2024. Ava used data from the GRCs to illustrate PG&E's *approved* costs by the California Public Utilities Commission ("CPUC") from 2020 through 2026.

FERC requires major electric utilities to report financial and operational information annually via Form 1. Form 1 contains financial information including capital and operations and maintenance ("O&M") account balances for utility-owned electric generation assets, distribution and transmission infrastructure, and purchased power. Ava used data from two schedules within

[6] Mohit Chhabra, Natural Resources Defense Council, *Powering Change: Understanding California's Electric Rate Challenges and Affordability Solutions* (2025); Gabriel Petek, Legislative Analyst's Office, *Assessing California's Climate Policies – Residential Electricity Rates in California* (2025); California Public Advocates Office, *Advancing Affordable Electricity in California: Policy Levers to Address Rising Rates*, (2024); Ryan Wiser, Eric O'Shaughnessy, et al., *Factors Influencing Recent Trends in Retail Electricity Prices in the United States*, 38 The Electricity Journal (2025); Little Hoover Commission, *The High Cost of Electricity in California*, (2025).

PG&E's Form 1 filings: 1) Electric Plant in Service, which includes PG&E's generation, distribution, and transmission capital account balances, and 2) Electric Operation and Maintenance Expenses, which details PG&E's annual generation, distribution, transmission, and purchased power expenses.

The GRCs are CPUC proceedings in which stakeholders evaluate the capital investments and expenses required to operate and maintain a utility's portion of the energy system, as well as how those costs are allocated among customer classes.[7] For California's three major investor-owned utilities ("IOUs")[8] the GRCs are split into two phases. In Phase I, the CPUC establishes the overall revenue requirement—the total amount the utility is permitted to recover from customers. Phase II then addresses how these costs are allocated across customer classes and sets the rate structures for each group. Each of the major IOUs is required to submit a GRC filing every four years.

Ava examined two of PG&E's GRCs: the 2020 GRC[9] covering 2020–2022, and the 2023 GRC[10] covering 2023–2026. The review encompassed a variety of proceeding documents to analyze and summarize PG&E's cost structure. Costs were manually recorded, with particular attention to maintaining consistency in cost categorization across the two GRCs wherever possible. The analysis focused primarily on distribution-related costs, which represented the largest area of growth between the two GRCs, and therefore the most significant potential driver of recent rate increases.

C. Rates

To analyze trends in customer electricity rates, Ava reviewed data from PG&E's Annual Electric True-up advice letters ("AETs") covering 2012–2026. The AETs report numerous individual rate components, which Ava consolidated into broader categories to develop the summary plots presented later in this report.[11]

The AETs are not consistent in how rates are reported across years. For instance, earlier filings list rate components for specific residential tariffs (e.g., E-1), while later filings provide averaged rate components for California Alternate Rates for Energy ("CARE") and non-CARE customers. To maintain comparability over time, Ava selected representative rates as proxies for customer

[7] "Customer class" refers to residential, commercial, industrial, etc.

[8] California's major IOUs are Pacific Gas & Electric, San Diego Gas & Electric, and Southern California Edison.

[9] Application ("A.") 18-12-009.

[10] A.21-06-020.

[11] See Appendix A: Additional Source Information, Table 2: Annual Electric True-Up Advice Letter Filings Used in Figure 2 and Figure 3.

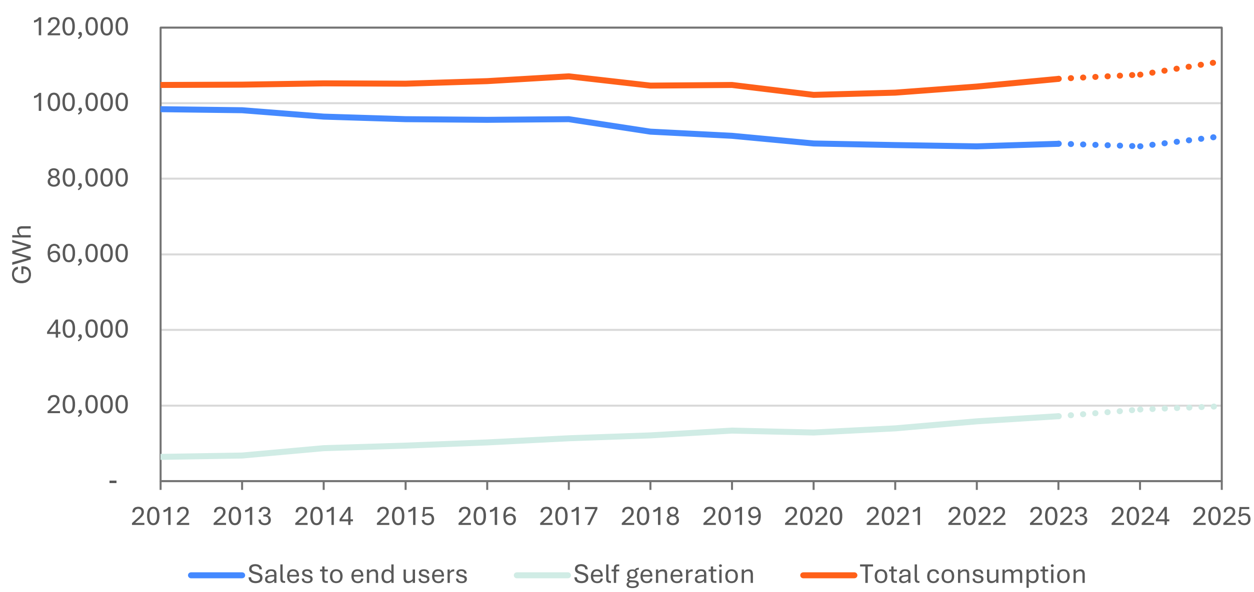
classes and aggregated sub-components into broader categories (generation, transmission, distribution, etc.).[12]

III. Findings

A. Total Electricity Use Is Steady, but Self-Generation Is Rising

Between 2012 and 2023, total electricity consumption in PG&E's service territory remained largely unchanged, illustrated in Figure 1.[13] However, the composition of that consumption shifted: utility sales to end-use customers declined by 9%, while customer self-generation increased by 168%, effectively offsetting one another.[14]

Figure 1: Retail Sales, Self Generation, and Total Consumption in PG&E Service Territory



Source: California Energy Commission, Baseline California Energy Demand Forecast, Form 1.1 and 1.1b (2024). Last historical year is 2023.

Electric rates are determined by the relationship between the total costs a utility must recover and the volume of electricity sales over which those costs are distributed. When consumption remains constant, a change in costs should translate proportionally into a change in rates, and

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[12] See Appendix A: Additional Source Information, Table 3: Categorization of Revenue Allocation and Rate Design Table Components Used in Figure 3.

[13] California Energy Commission, *Baseline California Energy Demand Forecast Form 1.1* (2024) See the [California Energy Commission's IEPR Webpage] for recent IEPR reports and staff contact information.

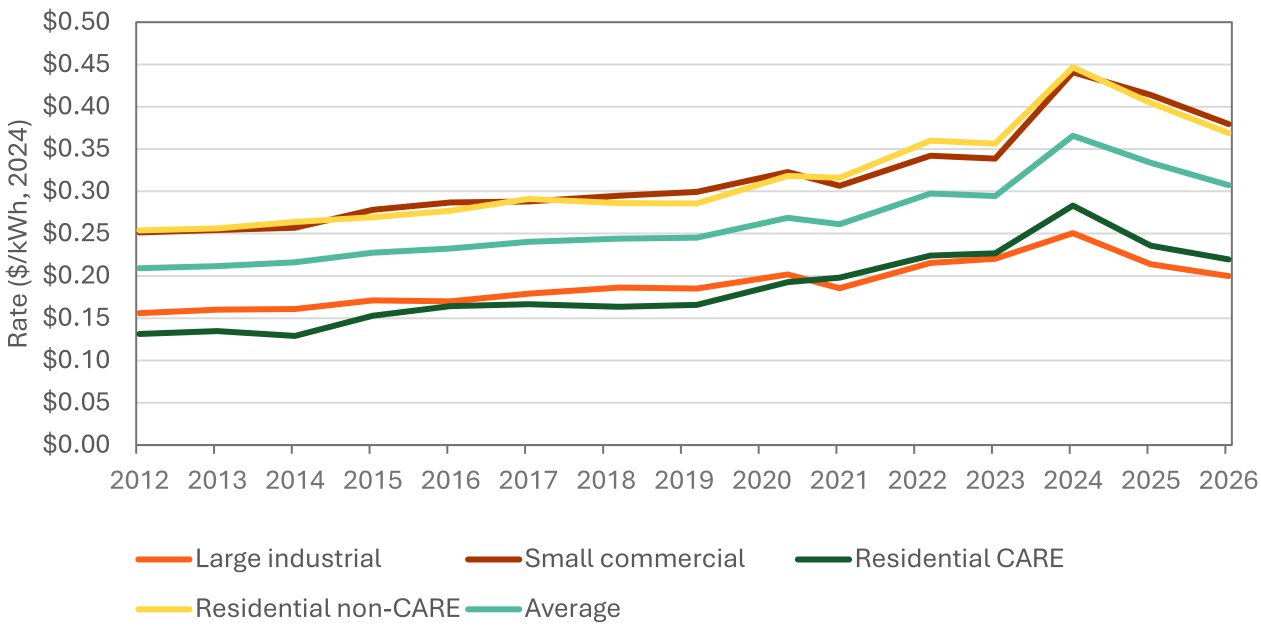
[14] *Id*. See also Figure 1.

vice versa. Net energy metering ("NEM"), which compensates customers for self-generation at the full retail rate, alters this dynamic. All else equal, NEM 1.0 and 2.0, representing most of the self-generation capacity in Figure 1,[15] reduce the sales across which utility costs are recovered. This mechanism raises rates for remaining customers unless self-generation provides offsetting cost reductions that align with the magnitude of compensation.[16]

B. Rate Increases Outpaced Inflation for More Than a Decade and Accelerated in 2024

As shown in Figure 2, inflation-adjusted rates increased gradually from 2012 to 2021, followed by a sharper rise from 2021 through 2024 and a moderate decrease from 2024 through 2026.[17] Rate changes are generally consistent across customer classes.

Figure 2: Inflation-Adjusted Average Electric Rates by Customer Class



Source: PG&E, 2012–2026 Annual Electric True-up Advice Letters, Revenue Allocation and Rate Design Table (2012–2026)[18]

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[15] Per the *CPUC's Decision Revising Net Energy Metering Tariff and Subtarriffs* ("D.22-12-056"), R.20-08-020 (December 15, 2022), the sunset for new NEM 2.0 applications took place in April 2023, and rooftop solar. systems taking service prior to April 2023 were allowed to retain their NEM 1.0 or NEM 2.0 status for a legacy period of 20 years.

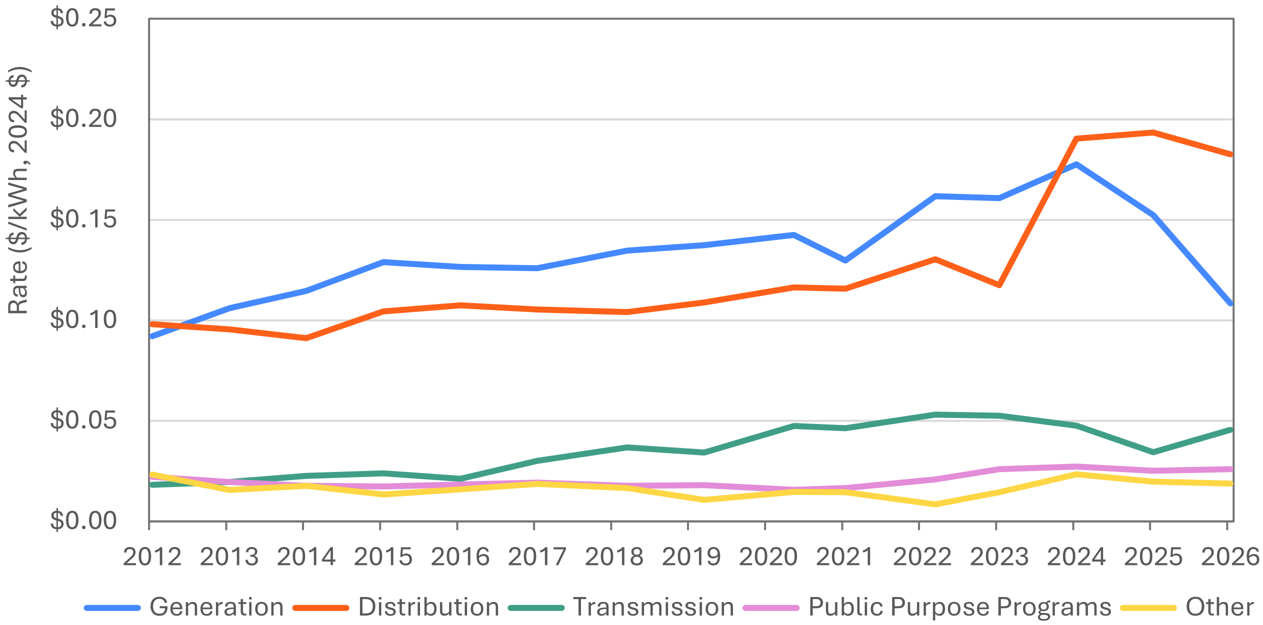
[16] See Section III.I.

[17] Ava confirmed with PG&E that the rates provided in the Annual Electric True-up advice letters, reflected in Figure 2 and Figure 3, are the average per-kWh rate including all volumetric and non-volumetric charges.

[18] See Appendix A: Additional Source Information.

Figure 3 breaks down the constituent components of the bundled[19] residential non-CARE rate, illustrating that the spike in rates in 2024 is primarily attributable to a rise in the distribution rate component.

Figure 3: Bundled Residential Non-CARE Electricity Rate Components



Source: PG&E's Annual Electric True-up Advice Letters, Revenue Allocation and Rate Design Tables[20]

As shown in Figure 3, from 2012 through 2026, changes in the bundled residential non-CARE electricity rate were driven primarily by fluctuations in the generation and distribution components, which together outweighed and outpaced other rate components. From 2012 through 2024, the generation component accounted for the largest share of the rate, rising faster than inflation before declining substantially in 2025 and 2026. The distribution component trailed closely behind from 2012 to 2023 but spiked sharply between 2023 and 2024, focusing public attention on electricity affordability. Since 2024, the distribution rate component has remained higher than all other components. The transmission component was relatively lower over the study period, increasing steadily from 2016 to 2022 before beginning a modest decline. Public purpose programs and other non-bypassable charges (represented by "Other") remained comparatively stable and minor throughout the period, particularly relative to generation and distribution.

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[19] Bundled customers are PG&E customers that receive both electricity generation and delivery (transmission and distribution) service from PG&E.

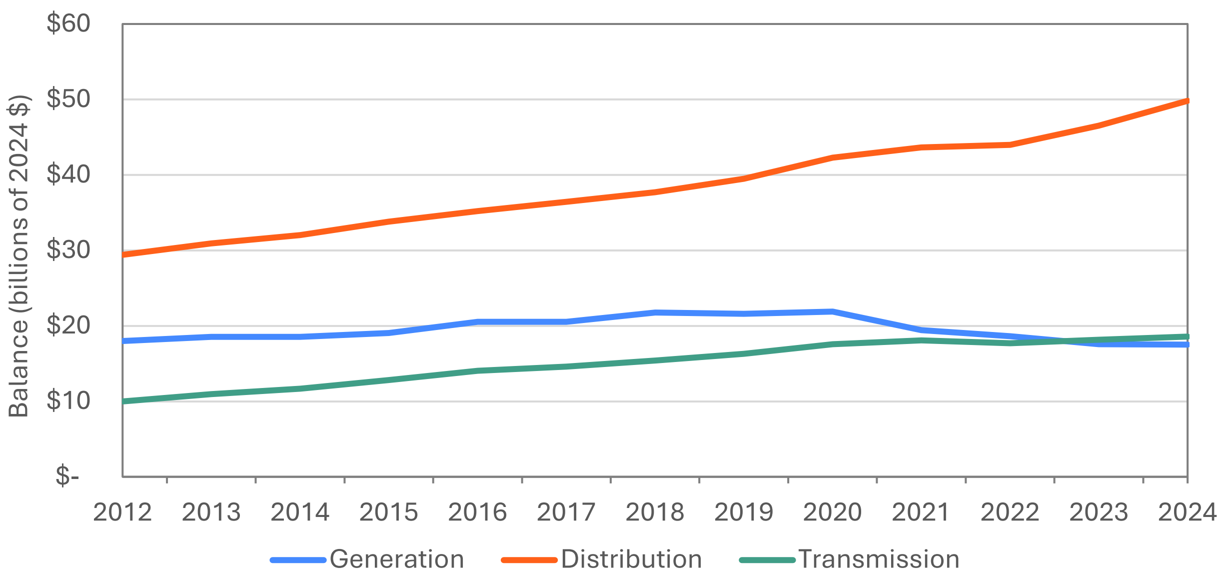
[20] See Appendix A: Additional Source Information, Table 2: Annual Electric True-Up Advice Letter Filings Used in Figure 2 and Figure 3.

C. Historical Spending Has Grown Steadily, Particularly for Distribution

Ava investigated PG&E's historical spending to understand the drivers behind the electricity rate trends illustrated in Figure 3. Distribution and transmission spending has trended upwards for over a decade, resulting in increased capital account balances and expenses that must be recovered via rates.[21]

Figure 4 illustrates the balance of PG&E's generation, distribution, and transmission capital accounts, representing capital investments in grid assets, net costs already recovered. The balance of PG&E's distribution and transmission capital accounts grew steadily from 2012 to 2024,[22] which indicates that PG&E is accelerating investment in distribution and transmission infrastructure over the study period. In contrast, the balance of PG&E's generation capital account, which represents investment in utility-owned generation assets serving bundled customers, remained relatively constant from 2012–2024, with a slight peak from 2018–2020, followed by a decrease.[23]

Figure 4: Balance of PG&E's Capital Accounts



Source: PG&E's FERC Form 1 filings, Electric Plant in Service schedule[24]

[21] Capital costs are long-term investments in assets like equipment or buildings, while expenses are costs for ongoing operations and maintenance of assets. Typically, utilities recover capital costs via a process called depreciation, where the cost of the asset is spread across its useful life. For example, for a $10 billion asset with a useful life of 10 years, the utility would recover $1 billion per year. In contrast, expenses are recovered in the year they are incurred.

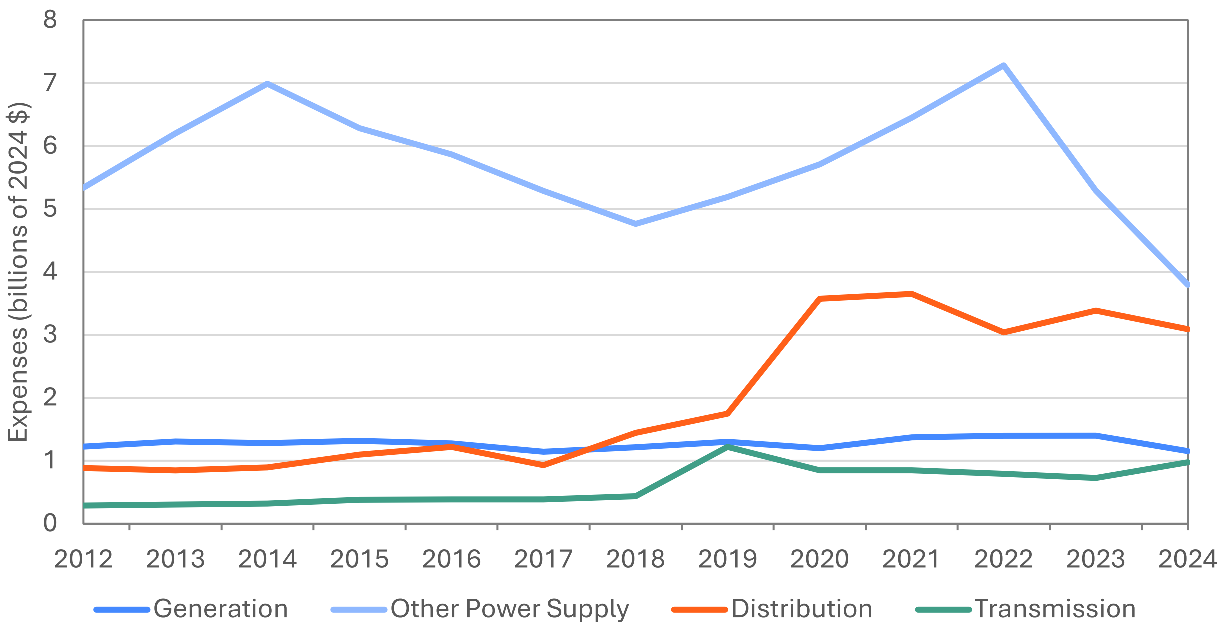
[22] PG&E's 2012–2024 FERC Form 1 filings, Electric Plant in Service Schedule, at column (g), line no. 58 and 75.

[23] *Id.*, at column (g), line no. 46.

[24] *Id.*, at column (g), line no. 46, 58, and 75.

PG&E's O&M expenses, shown in Figure 5, point more directly to distribution as a primary driver of recent rate increases. Distribution expenses more than doubled between 2019 and 2020, after which expenses remained high.[25] Transmission expenses also spiked in 2019, though the overall magnitude is lower than that of distribution.[26] Conversely, utility-owned generation expenses remained steady throughout the study period.[27] Other power supply, which primarily represents purchased power, fluctuates drastically throughout the study period.[28]

Figure 5: PG&E's Operation and Maintenance Expenses



Source: PG&E's FERC Form 1 filings, Electric Operation and Maintenance Expenses schedule[29]

D. Approved Distribution Costs Increased Substantially in the Most Recent General Rate Case, Driven by Wildfire Investment

To better understand the drivers of the 2024 distribution rate spike, Ava compared distribution costs approved by the CPUC in the 2020 GRC and the 2023 GRC. As shown in Figure 6, average annual distribution-related costs increased by $1.8 billion, or 46%, between the two GRCs, largely

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[25] PG&E's 2012–2023 FERC Form 1 filings, Electric Operation and Maintenance Expenses Schedule, at column (b), line no. 156.

[26] *Id.*, at column (b), line no. 112.

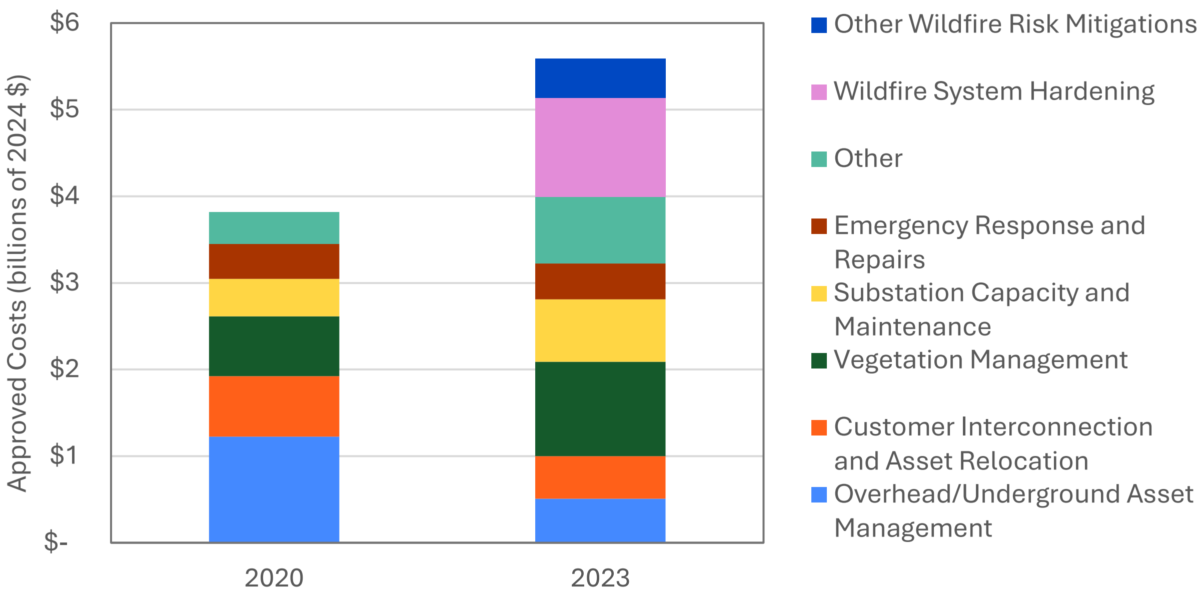
[27] *Id.*, at column (b), line no. 21, 41, 59, and 74.

[28] *Id.*, at column (b), line no. 79.

[29] *Id.*, at column (b), line no. 21, 41, 59, 74, 79, 112, and 156.

due to increased spending on wildfire mitigation.[30,31] The increasing trend in historical distribution capital balances and expenses (as shown in Figure 4 and Figure 5), combined with the increase in distribution costs approved in the 2023 GRC (for 2023–2026), signal that distribution rates may remain high or continue to increase in the future.

Figure 6: Average Annual Distribution Costs approved in 2020 and 2023 GRCs



Source: 2020 PG&E GRC Settlement Agreement, 2023 PG&E GRC Decision[32]

While some of the increase in costs between GRCs can be attributed to growth in existing cost categories, most notably Vegetation Management, the addition of new wildfire-related cost categories, such as Wildfire System Hardening, which includes both undergrounding and overhead hardening measures, is largely responsible for the nearly 50% increase in approved

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[30] *Settlement Agreement of the 2020 General Rate Case of Pacific Gas and Electric Company* appended to *Joint Motion of the Public Advocates Office, The Utility Reform Network, Small Business Utility Advocates, Center for Accessible Technology, The National Diversity Coalition, Coalition of California Utility Employees, California City County Street Light Association, The Office of the Safety Advocate and Pacific Gas and Electric Company for Approval of Settlement Agreement* ("2020 PG&E GRC Settlement Agreement"), A.18-12-009 (January 14, 2020), Appendix B, p. 5, at line no. 27–52, and p. 9, at line no. 20–47.

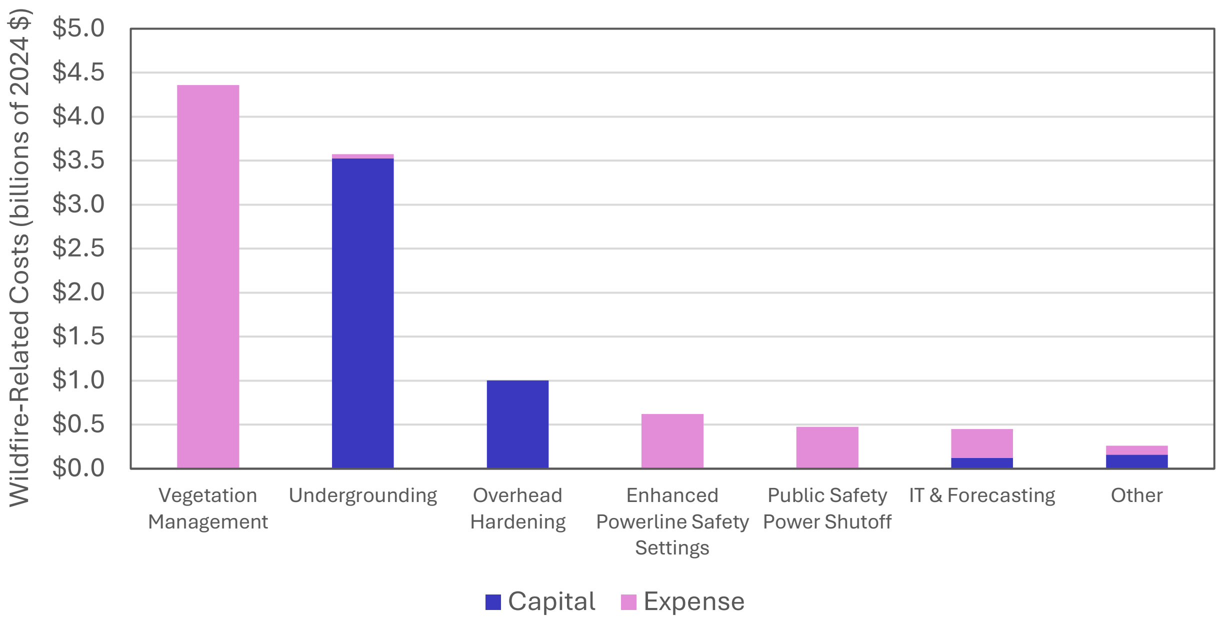
[31] D.23-11-069, *Decision on Test Year 2023 General Rate Case for Pacific Gas and Electric Company* ("2023 PG&E GRC Decision"), A.21-06-021 (November 17, 2023), pp. 238–488, 860–878.

[32] 2020 PG&E GRC Settlement Agreement, Appendix B, p. 5, at line no. 27–52, and p. 9, at line no. 20–47; 2023 PG&E GRC Decision, pp. 238–488, 860–878.

costs.[33] Note that Figure 6 does not include increased insurance premiums associated with wildfire risk.

Wildfire-related costs comprise 48% of PG&E's approved distribution budget in the 2023 GRC. Approved expenses for vegetation management and investment in undergrounding of distribution infrastructure far outweigh the other wildfire mitigation strategies.[34,35] Figure 7 provides a breakdown of the *total* (rather than the *annual average*, as provided in Figure 6) wildfire-related costs approved in the 2023 GRC.

Figure 7: Total Wildfire-Related Costs Approved in PG&E's 2023 GRC



Source: 2023 PG&E GRC Decision[36]

Undergrounding—installing distribution and transmission infrastructure underground that was previously located on overhead poles—is primarily a capital investment. As such, these costs are recovered through depreciation over the useful life of the undergrounded infrastructure and will remain in the rate base for decades. Similarly, overhead hardening measures, such as installing covered conductors, are also capital investments.[37]

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[33] 2023 PG&E GRC Decision, pp. 861–865.

[34] *Id.*, pp. 867–868

[35] *Id.*, p. 862.

[36] *Id.,* pp. 243–317, 334–344.

[37] CPUC indicates whether costs are capital investments or expenses in the 2020 PG&E GRC Settlement Agreement and 2023 PG&E GRC Decision.

By contrast, vegetation management, enhanced powerline safety settings (often referred to as "fast-trip settings"), and Public Safety Power Shutoffs ("PSPS") are operational strategies for which expenses are recovered annually. Vegetation management involves trimming vegetation nearby overhead distribution and transmission lines to reduce the risk of ignition. Fast-trip settings increase circuit breaker sensitivity such that circuits de-energize more quickly when hazards are detected, limiting the chance of ignition while keeping outages relatively localized. PSPS involves proactively shutting off power to entire circuits under extreme weather conditions to eliminate the possibility of equipment-related ignitions, at the cost of widespread outages. The costs associated with vegetation management, fast-trip settings, and PSPS are primarily operating expenses, such as labor, system operations, customer communications, and temporary mitigation measures.

Given already-high distribution spending through 2023, as shown in Figure 4 and Figure 5, the nearly 50% increase in approved distribution costs between the 2020 GRC and 2023 GRC indicates that distribution rates are likely to remain high to recover increased costs. Increased vegetation management expenses will immediately translate to higher electricity rates, whereas investments in undergrounding will require longer-term cost recovery, impacting rates over time.

E. Wildfire Mitigation Investments May Not Align with Cost-Effectiveness and Risk Reduction Estimates

PG&E currently allocates the largest share of wildfire mitigation spending to vegetation management, the second largest share to undergrounding, and comparatively little to fast-trip settings and PSPS.[38] This allocation runs counter to the relative cost-effectiveness of wildfire mitigation strategies.

A September 2025 study by UC Berkeley researchers ranked mitigation strategies from most to least cost-effective as follows: fast-trip settings, fast-trip combined with PSPS, undergrounding, and vegetation management. The study found that vegetation management is roughly five times more costly per avoided structure burned than fast-trip settings, while also being less effective, reducing ignition risk by only 48% on high-risk days compared to 82% for fast-trip settings.[39]

While undergrounding is substantially more expensive, it can be considered to eliminate ignition risk entirely, unlike any other strategy.[40] As such, the choice between undergrounding and fast-

[38] See Figure 7.

[39] Cody Warner, Duncan Callaway, and Meredith Fowlie, *Dynamic grid management reduces wildfire adaptation costs in the electric power sector*, Nature Climate Change (August 20, 2025).

[40] *Id.*, pp. 9–10.

trip settings reflects a trade-off between cost and risk reduction, with no single approach offering a clear-cut solution.

F. Reporting Inconsistencies Impede Transparent Assessment of Spending

The CPUC is empowered to "establish a system of accounts to be kept by the public utilities subject to its jurisdiction…and may prescribe the manner in which such accounts shall be kept."[41] Despite this, inconsistent cost categorization across GRC cycles and a lack of standardized reporting hinder direct comparison of IOU costs over time. Costs are described at varying levels of detail, with names, descriptions, and programmatic categorization shifting from one GRC to the next. For example, in Figure 6, some line items recorded under the Overhead/Underground Asset Management category for the 2020 GRC were likely recategorized into the wildfire-related categories for the 2023 GRC, though Ava is unable to confirm based on available data. In many cases, the types of costs that fall within major work categories are not clearly defined. Additionally, while most approved costs appear in the Conclusions of Law in the CPUC's final decisions addressing GRC costs, others are referenced only in the decision text or embedded in other proceeding documents such as settlement agreements, testimony, and exhibits.

These inconsistencies create information asymmetries that make it difficult for stakeholders to fully assess IOU costs, leaving analysis of cost trends dependent on partial information and some degree of interpretation. As a result, substantial portions of utility spending go uncontested and are approved largely as proposed; 22.6% of costs in PG&E's 2020 GRC and 29.4% of costs in PG&E's 2023 GRC were uncontested.[42] Even if costs are contested, they may not be adjusted by the CPUC.

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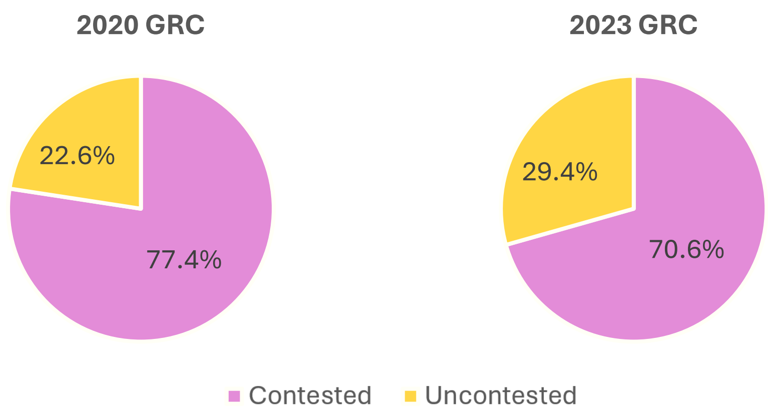
[41] Public Utilities Code ("PUC") § 792.

[42] 2020 PG&E GRC Settlement Agreement, Appendix B, p. 5, at line no. 27–52, and p. 9, at line no. 20–47; 2023 PG&E GRC Decision, pp. 238–488.

Figure 8: Proportion of Costs Uncontested in PG&E's 2020 and 2023 GRCs



Source: 2020 PG&E GRC Settlement Agreement, 2023 PG&E GRC Decisions[43]

In 2024, the California Legislature took steps to address some of the reporting transparency and consistency issues described above.[44] Public Utilities Code § 455.7 requires, among other things, that "[b]y January 1, 2026, and each year thereafter, each large electrical corporation shall publish on its internet website, and provide to the commission, a visual representation of the cost categories included in residential electricity rates for the succeeding calendar year that includes [specified] cost categories."[45] This is intended to addresses some transparency needs, but still allows for categorization across years and across utilities to vary.

G. Fragmentation of Cost Recovery Proceedings Diminishes Ability for Stakeholders to Contest Spending

In addition to the GRCs, PG&E requests approval for additional revenue recovery in a multitude of other proceedings. According to the CPUC, "[a]s of September 2025, PG&E is requesting over $2 billion more in revenues from customers across 15 other proceedings" outside of the 2027 GRC application,[46] notably including applications for the recovery of costs recorded in two-way balancing accounts[47] and memorandum accounts that have already been spent, such as the

[43] *Id.*

[44] PUC § 455.7(2)(b).

[45] Ava is unable to confirm whether this visual representation is available on PG&E's website.

[46] *Public Participation Hearing Fact Sheet*, CPUC (September 2025).

[47] A two-way balancing account allows utilities to compare actual expenses and/or capital costs with the amounts authorized for recovery through rates. Overcollections must be refunded to ratepayers, and undercollections may be recovered through rates. In contrast, a one-way balancing account only allows the refunding of overcollections to ratepayers; it does not allow recovery of undercollections.

Wildfire Mitigation Balancing Account ("WMBA"),[48] Vegetation Management Balancing Account ("VMBA"),[49] and Catastrophic Event Memorandum Account ("CEMA").[50]

It is more difficult for intervening parties to contest the recovery of costs recorded in balancing and memorandum accounts via applications outside of the GRC due to several key factors. First, costs recorded in balancing and memorandum accounts are already spent by the time the utility seeks to recover them. It is effectively impossible for stakeholders to review this spending in advance, and politically difficult for the CPUC to deny recovery after the funds are spent, reducing the incentive for IOUs to minimize spending. Second, applications for the recovery of costs recorded in balancing and memorandum accounts are opened relatively frequently and on an ad hoc basis, making it difficult for intervening parties to anticipate when they will need to allocate staff time to contesting the recovery of an IOU's recorded costs.

In comparison, GRCs occur on a regular basis and over a longer period of time, allowing intervening parties such as Cal Advocates to more efficiently allocate resources to contesting IOUs' proposed costs. The fragmentation of cost recovery over a multitude of proceedings also makes it more difficult for stakeholders and the public to have visibility into the comprehensive impact of IOU spending.

PG&E filed a Wildfire Mitigation and Catastrophic Events ("WMCE") application in each year from 2021–2024,[51] requesting a total of $4,892 million of expenditures recorded in the WMBA, VMBA,

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[48] The WMBA tracks and records costs related to PG&E's Community Wildfire Safety Program ("CWSP"), including both O&M expenses and capital costs. CWSP program costs recorded in the WMBA include those related to wildfire system hardening (including undergrounding), enhanced operational practices (including PSPS), and enhanced situational awareness (including Advanced Fire Modeling).

[49] The VMBA tracks and records PG&E's vegetation management costs, including both routine and enhanced vegetation management expenses.

[50] The CEMA records incremental costs for restoring utility services to customers and repairing or replacing damaged utility facilities when there is a declaration of a state of emergency or disaster from a competent state or federal authority. Costs recorded in the CEMA include those related to government-declared catastrophic events such as weather-related events, wildfires, and the COVID-19 pandemic.

[51] *Application of Pacific Gas and Electric Company (U 39 M) for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs* ("2021 WMCE Application"), A.21-09-008 (September 16, 2021); *Application of Pacific Gas and Electric Company (U 39 E) for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs* ("2022 WMCE Application"), A.22-12-009 (December 15, 2022); *Application of Pacific Gas and Electric Company (U 39 E) for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs* ("2023 WMCE Application"), A.23-12-001 (December 1, 2023); *Application of Pacific Gas and Electric Company (U 39 E) for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, Community Rebuild Program, and Other Recorded Costs* ("2024 WMCE Application"), A.24-11-009 (November 21, 2024).

and CEMA, incremental to the $5,456 million of spending in the WMBA and VMBA[52] already authorized in the CPUC's decision addressing PG&E's 2020 GRC.[53] The 2020 PG&E GRC Decision modified the existing VMBA from a one-way to a two-way balancing account[54] and established the WMBA as a new two-way balancing account.[55] As two-way balancing accounts, the WMBA and VMBA allow PG&E to record actual expenditures and request recovery for expenditures above the amount authorized in the 2020 PG&E GRC Decision. PG&E must file a reasonableness review ("RR") application to recover any costs recorded in the WMBA and VMBA above the thresholds authorized in the decision.[56,57] The decision also approved the continuation of the CEMA.[58] Costs recorded in the CEMA must also be recovered in an application outside of the GRC.

A step in the right direction, the 2023 PG&E GRC Decision continues the WMBA as a one-way balancing account for spending from 2023–2026[59] and reverts the VMBA back to a one-way balancing account,[60] eliminating the ability for PG&E to request recovery for undercollections in these balancing accounts going forward. The CPUC cited reduced uncertainty regarding spending recorded in the WMBA and VMBA as justification for the change.

Table 1 compares the total costs authorized in the 2020 PG&E GRC Decision across 2020–2022 to the costs that PG&E requests for recovery in its 2021–2024 WMCE applications.

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[52] All costs recorded in the CEMA must be recovered via a separate application, pursuant to CPUC Resolution E-3238 and Public Utilities Code § 454.9. Thus, the 2020 PG&E GRC Decision did not authorize a specific amount for CEMA expenditures.

[53] D.20-12-005, *Decision Addressing the Test Year 2020 General Rate Case of Pacific Gas & Electric Company* ("2020 PG&E GRC Decision"), A.18-12-009 (December 11, 2020).

[54] D.20-12-005, p. 395, at Conclusions of Law ("COL") 17.

[55] D.20-12-005, p. 396, at COL 29.

[56] The 2020 PG&E GRC Decision authorized recovery of costs up to a reasonableness review threshold (115% and 120% of the adopted amount for the WMBA and VMBA, respectively) through a Tier 2 advice letter. For any costs exceeding the thresholds, the decision required PG&E to file an application to demonstrate the reasonableness of those costs before recovery is authorized.

[57] D.20-12-005, p. 395, at COL 17; D.20-12-005, p. 397, at COL 32.

[58] See D.20-12-005, p. 350, at Findings of Fact 47.

[59] D.23-11-069, p. 878, at COL 176.

[60] D.23-11-069, p. 878, at COL 177.

Table 1. WMBA, VMBA, and CEMA Costs Authorized in the 2020 GRC Compared to Costs Requested for Recovery in Separate Applications (in millions)

	Total 2020 GRC (including RR threshold)[61]	2021 WMCE Application	2022 WMCE Application	2023 WMCE Application	2024 WMCE Application
WMBA (Expense)	$191.0[62]	$149.5	$101.0	$76.4[63]	$0
WMBA (Capital)	$3,088.1[64]	$0[65]	$0	$0	$0
VMBA	$2,176.7[66]	$591.7	$815.0	$833.5	$0
CEMA	N/A	$681.0	$327.0	$1,234.8	$82.3
Total	$5,455.8	$1,422.2	$1,243.0	$2,144.7	$82.3

In addition to the GRC, parties reviewing and contesting PG&E's spending must dedicate staff and resources to these four WMCE applications (among other cost recovery proceedings), which collectively requested recovery equal to nearly 90% of the already-approved spending for wildfire and catastrophic event-related activities. As the amount of costs recorded and recovered by PG&E outside of the GRC proliferates, it becomes increasingly difficult for the CPUC and intervening parties to perform rigorous reviews of the reasonableness of all spending that is recovered from ratepayers.

[61] The values in this column represent the expenditures authorized in the 2020 PG&E GRC Decision, including the reasonableness review threshold. The base amounts authorized by the decision are as follows: WMBA Expense – $166.1 million, WMBA Capital – $2,685.3 million, VMBA Expense – $1,813.9 million.

[62] 2020 PG&E GRC Settlement Agreement, p. 5, at Table 1; See 2020 PG&E GRC Decision, p. 395, at COL 19; See also 2020 PG&E GRC Decision, p. 409–410, at Ordering Paragraph ("OP") 1.

[63] This value is based on the amount requested for recovery in PG&E's 2023 WMCE Application. Note, however, that the value stated by PG&E in the 2023 WMCE Application for the GRC-authorized WMBA costs appears to differ from the amount authorized by the 2020 PG&E GRC Decision, and the amount requested for recovery also appears inconsistent with the amount of costs PG&E stated it recorded.

[64] 2020 PG&E GRC Settlement Agreement, p. 5, at Table 1; See 2020 PG&E GRC Decision, p. 395, at COL 19; See also 2020 PG&E GRC Decision, p. 409–410, at OP 1.

[65] PG&E's capital costs recorded in the WMBA did not exceed the 115% reasonableness review threshold of $698.3 million, as adopted by the 2020 PG&E GRC Decision. Thus, PG&E did not request recovery of any WMBA-related capital costs in its 2021 Application.

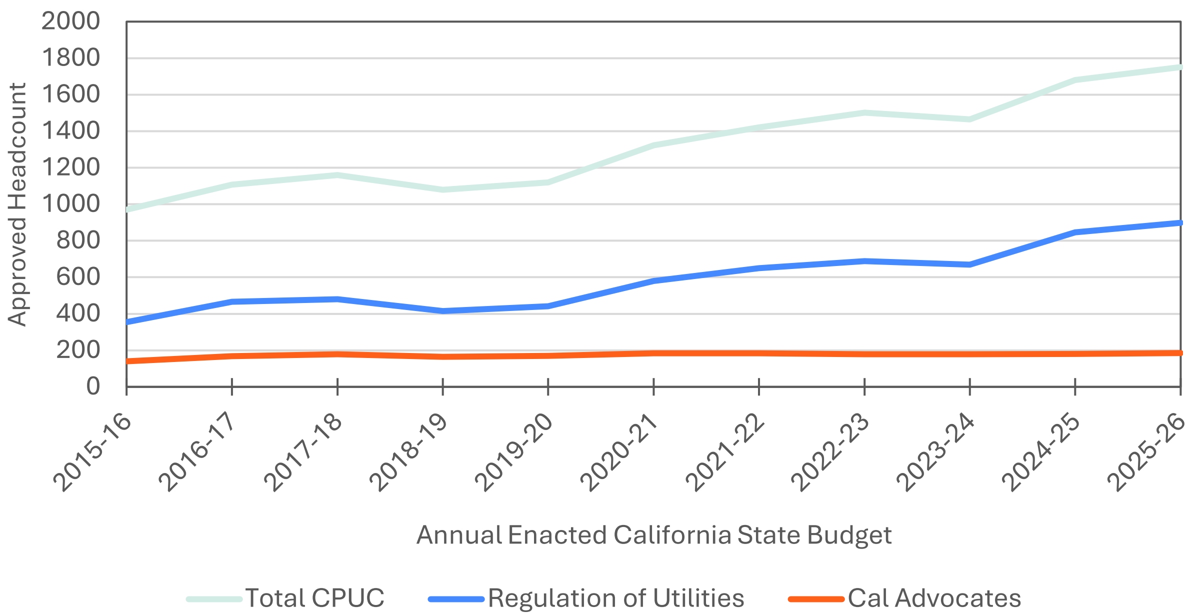
[66] 2020 PG&E GRC Settlement Agreement, p. 8, at Table 3; See 2020 PG&E GRC Decision, p. 394, at COL 12; See also 2020 PG&E GRC Decision, p. 395, at COL 19; See also 2020 PG&E GRC Decision, p. 409–410, at OP 1.

The CPUC has reintegrated the budget for WMBA and VMBA into the GRC, and the California Legislature has previously required the Commission to address cost recovery in GRCs rather than ad hoc.[67] Further consolidation of cost recovery proceedings warrants consideration.

H. Cal Advocates Staffing Has Not Kept Pace with the Growing Scope of Cost Review

Despite the growing volume of costs for which PG&E is seeking approval, alongside the increasing number of proceedings in which those costs are reviewed, Cal Advocates staffing levels have remained relatively consistent since 2017. In effect, Cal Advocates is being asked to do more work with the same resources, constraining its ability to act as an essential ratepayer safeguard.

Figure 9: Number of Positions Approved in California State Budget



Source: Annual California Enacted State Budgets[68]

As shown in Figure 9, in the decade between the 2015–16 and 2025–26 California State Budgets, the approved total CPUC staff headcount grew from roughly 1,000 to 1,800.[69] Staffing levels for

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[67] *See, e.g.*, PUC § 740.19. "The purpose of this section is to change the commission practice of authorizing the electrical distribution infrastructure located on the utility side of the customer meter needed to charge electric vehicles on a case-by-case basis to a practice of considering that infrastructure and associated design, engineering, and construction work as core utility business, treated the same as other distribution infrastructure authorized on an ongoing basis in the electrical corporation's general rate case."

[68] See Appendix A: Detailed Source Information, Table 4: State Budget Sources Used in Figure 9.

[69] California State Budget code 8660. Includes all CPUC staff members.

positions related to the regulation of utilities followed this trend closely,[70] growing from roughly 350 to 900, an increase of approximately 153%. Over the same period, the approved Cal Advocates headcount lagged behind, growing only 32%, from 140 to 185 positions. Notably, most of this growth occurred between budget years 2015–16 and 2016–17.[71]

Scrutinizing utility cost requests is a classic collective-action and market-failure problem: few, if any, entities have incentives strongly aligned with investing the substantial time and expertise required to rigorously challenge IOU spending. Cal Advocates therefore serves as an essential ratepayer safeguard by performing a function the market may not reliably provide. As such, relatively stagnant Cal Advocates staffing, despite the growing magnitude of IOU spending and the proliferation of proceedings in which those costs are reviewed, represents a critical constraint on effective ratepayer protection.

This constraint is substantiated in an August 2023 Report from the California State Auditor,[72] which found that in financial year 2021–2022, Cal Advocates reviewed only 10% of PG&E balancing accounts and 4% of the total costs recorded in balancing accounts.[73] According to the California State Auditor, Cal Advocates cited limited staffing as a barrier to expanding its efforts. Despite these capacity constraints, evidence shows that when Cal Advocates does intervene, its participation can meaningfully lower approved revenue requirements and limit rate increases.[74]

Taken together, the increase in utility spending paired with the relatively stagnant Cal Advocates headcount suggest that Cal Advocates' staffing levels have become increasingly misaligned with the scale and complexity of the oversight role it is expected to perform.

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[70] Budget code 8660-6680. Includes staff relating to electric, telecommunication, water, sewer, and natural gas utilities.

[71] Budget code 8660-6695.

[72] *The California Public Utilities Commission and Cal Advocates Can Better Ensure That Rate Increases Are Necessary*, California State Auditor (2023), pp. 1–3.

[73] *Id.,* p. 53.

[74] *Id.,* p. 59.

IV. Conclusions

While recent rate increases drew attention to electricity affordability, PG&E's electricity rates for all customer classes have outpaced inflation for over a decade, followed by moderate decreases in 2025 and 2026.[75] For most customer classes, the generation and distribution rate components have outweighed and outpaced components associated with transmission, public purpose programs, and other non-bypassable charges, with a sharp increase in the distribution component between 2023 and 2024. Since 2024, the distribution rate component has remained higher than all other components.[76]

PG&E's historical spending for the construction and maintenance of the electrical grid has also outpaced inflation since 2012—capital investments in distribution and transmission increased steadily from 2012–2024,[77] and distribution- and transmission-related expenses spiked in 2019–2020, after which expenses remained high.[78]

Approved annual distribution costs increased by nearly 50% between PG&E's 2020 and 2023 GRCs, largely due to increased spending for wildfire system hardening, vegetation management, and other wildfire risk mitigations.[79] Among the wildfire-related costs approved in the 2023 GRC, expenses for vegetation management and capital investment in undergrounding of distribution infrastructure far outweigh the costs approved for other mitigation strategies such as overhead hardening, fast-trip settings, and PSPS.[80] This prioritization in spending runs counter to the relative cost-effectiveness of wildfire mitigation strategies.[81] The increase in distribution costs approved in the 2023 GRC combined with the growing balance of PG&E's transmission and distribution capital account balances will continue to place upward pressure on rates in the future.

The fragmented and inconsistent processes for reporting and approving IOU make it difficult for the CPUC and stakeholders to evaluate the full scope of IOU spending. Requested costs in IOU GRCs are difficult to compare over time due to shifting categorization, inconsistent documentation, and unclear definitions of major work categories. Some approved costs appear

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[75] See Figure 2.

[76] See Figure 3.

[77] See Figure 4

[78] See Figure 5.

[79] See Figure 6.

[80] See Figure 7.

[81] Cody Warner, Duncan Callaway, and Meredith Fowlie, *Dynamic grid management reduces wildfire adaptation costs in the electric power sector*, Nature Climate Change (August 20, 2025).

only in ancillary documents, creating information asymmetries that limit stakeholders' ability to scrutinize spending, reflected in the 22% to 29% share of uncontested costs in recent GRCs. At the same time, PG&E seeks billions more in recovery of costs recorded in balancing and memorandum accounts through numerous additional proceedings, which occur irregularly and review spending after it has occurred, making rigorous oversight even more challenging for the CPUC and stakeholders.

Despite the growing volume of costs PG&E is seeking approval for and the increasing number of proceedings in which those costs are reviewed, Cal Advocates staffing levels have remained relatively consistent since 2017. In effect, Cal Advocates is being asked to do more work with the same resources, limiting its ability to effectively protect ratepayers.

Taken together, these findings show that recent rate increases are driven less by climate mitigation policies and more by the escalating costs of adapting to climate change, particularly wildfire risk, combined with rising utility capital spending and barriers to cost oversight. Distribution- and transmission-related investments, especially wildfire mitigation measures, have consistently outpaced inflation and placed significant upward pressure on rates. Investments in wildfire mitigation are clearly necessary; simultaneously, effective oversight mechanisms are needed to ensure investments are appropriate and ratepayers are not overpaying for those investments. Lack of transparency in cost approval processes and constrained ratepayer advocacy capacity reduce effective scrutiny of these expenditures. Addressing affordability will therefore require stronger utility accountability measures, prioritization of cost-effective climate change adaptation strategies, and improved oversight of utility spending.

V. Recommendations

Due to the lack of transparency in IOU cost approval and the proliferation of cost recovery proceedings, it is difficult for stakeholders to assess IOU costs and track the impacts of spending on customer rates. Identifying costs proposed in the GRC requires reviewing and cross-referencing lengthy testimony, workpapers, and exhibits. This is an arduous process that creates an information asymmetry between the IOUs requesting rate increases and stakeholders assessing utility spending. Ava's recommendations focus on improving the ability of intervening stakeholders to interrogate IOU spending and advocate to contain future rate increases.

Increase the accessibility and transparency of the costs proposed in Phase I of the GRC. To provide a clearer and more organized explanation of the purpose and magnitude of proposed costs, the CPUC should require IOUs to publish a list of major work categories and their descriptions in the proceeding docket and tabulate proposed costs by major work categories. Likewise, in every final decision establishing the IOU revenue requirement, the CPUC should provide a standardized tabulation of costs matching this format. To address inconsistency across GRC cycles, IOUs should also be required to maintain consistency in cost categorization across

GRC cycles. Where this is not possible, IOUs should provide an explanation of any changes to cost categorization for each major work category.

Consolidate IOU rate and cost proceedings. While GRCs remain the primary vehicle for cost approval, PG&E is increasingly seeking and receiving approval of costs in a multitude of other proceedings, making it more difficult for stakeholders to maintain visibility of the total impact of IOU spending. Reasonableness reviews and the recovery of expenditures recorded in balancing accounts should be consolidated where possible, to reduce the fragmentation of cost approval and allow intervening parties to more efficiently understand and contest costs. The CPUC recently capped PG&E's recovery for costs recorded in the Wildfire Mitigation and Vegetation Management Balancing Accounts at those authorized in the 2023 GRC Decision, preventing PG&E from requesting recovery for costs exceeding the approved budget in ad hoc cost recovery proceedings for 2023–2026. The CPUC should continue to evaluate other balancing accounts and whether cost recovery outside of GRCs should be permitted.

Maintain consistency in CPUC decisions that approve IOU costs. In GRC Phase I decisions, the CPUC should make approved costs more accessible, enabling stakeholders to better understand and analyze PG&E's approved spending over time. For example, the CPUC should ensure all costs are addressed within the Conclusions of Law, rather than buried in the body of the decision or in other proceeding documents.

Increase California Public Advocates Office staffing. Cal Advocates acts as an essential ratepayer safeguard. Given the increasing amount of costs proposed and number of proceedings in which costs are reviewed, the CPUC may benefit from more resources to evaluate IOU spending to ensure grid reliability while also maintaining affordability.

Increase CPUC audit capacity to ensure IOU spending is occurring as authorized. Despite existing legislative requirements,[82] IOUs are not routinely audited to verify that expenditures approved in the GRC are implemented as authorized by the CPUC. Absent such oversight, ratepayers face the risk of funding the same activities multiple times, approved activities not happening, and funds being redirected for activities never authorized in the GRC. The CPUC would benefit from expanding its audit capacity to systematically conduct retrospective reviews when evaluating new IOU revenue requests in each GRC cycle.

With more transparency, standardization, and streamlining of the cost approval process, both within and across proceedings, as well as additional staffing and expertise at the CPUC, stakeholders and the CPUC will be better equipped to interrogate IOUs' proposed costs and analyze trends in IOU costs and rates over time, to rein in future cost and rate growth.

[82] *See* Public Utilities Code § 451.8.

Appendix A: Additional Source Information

Table 2: Annual Electric True-Up Advice Letter Filings Used in Figure 2 and Figure 3

Year	Advice Letter	Page Number of Document	Classes/Schedules
2012	PG&E AL 3896-E-B, *Supplemental Filing - Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates on January 1, 2012*	22	E-1, EL-1, TOTAL SMALL, TOTAL E-20,
2013	PG&E AL 4096-E-A, *Supplemental Filing - Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates on January 1, 2013*	197	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2014	PG&E AL 4278-E-B, *Supplemental Filing - Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates on January 1, 2014*	229	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2015	PG&E AL 4484-E-A, *Supplemental Filing: Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates Effective January 1, 2015*	194	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2016	PG&E AL 4696-E-A, *Supplemental Filing - Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates Effective January 1, 2016*	204	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2017	PG&E AL 4902-E-B, *Supplemental Filing - Annual Electric True-Up – Consolidated Changes to PG&E Electric Rates Effective January 1, 2017*	198	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2018	PG&E AL 5231-E, *2018 Annual Electric True-Up - Consolidated Electric Rate Changes Effective March 1, 2018*	194	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2019	PG&E AL 5376-E-B, *Second Supplemental: 2019 Annual Electric True-Up – Consolidated Electric Rate Changes Effective March 1, 2019*	201	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2020	PG&E AL 5661-E-A, *Supplemental: 2020 Annual Electric True-Up - Consolidated Electric Rate Changes Effective May 1, 2020*	27	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2021	PG&E AL 6004-E-C, *Third Supplemental: 2021 Annual Electric True-Up – Consolidated Electric Rate Changes Effective January 1, 2021*	25	E-1, EL-1, TOTAL SMALL, TOTAL E-20
2022	PG&E AL 6509-E-A, *Supplemental: Annual Electric True-Up Part 2 – Electric Rate Change Effective March 1, 2022*	23	E-1, D-CARE, TOTAL SMALL, TOTAL B-20
2023	PG&E AL 6805-E, *2023 Annual Electric True-Up – Consolidated Electric Rate Changes Effective January 1, 2023*	30	E-1, D-CARE, TOTAL SMALL, TOTAL B-20

Year	Advice Letter	Page Number of Document	Classes/Schedules
2024	PG&E AL 7116-E, *Annual Electric True-Up Submittal – Change to PG&E's Electric Rates on January 1, 2024*	32	Non-CARE, CARE, TOTAL SMALL, TOTAL B-20
2025	PG&E AL 7469-E, *Annual Electric True-Up Submittal – Change to PG&E's Electric Rates on January 1, 2025*	34	Non-CARE, CARE, TOTAL SMALL, TOTAL B-20
2026	PG&E AL 7797-E, *Annual Electric True-Up Submittal – Change to PG&E's Electric Rates on January 1, 2026*	27	Non-CARE, CARE, TOTAL SMALL, TOTAL B-20

Table 3: Categorization of Revenue Allocation and Rate Design Table Components Used in Figure 3

Category	Rate Component	Costs recovered by rate component
Generation	Generation	Unspecified procurement costs
Generation	Power Charge Indifference Adjustment	Above-market costs of IOU contracts procured on behalf of departing customers
Transmission	Transmission Owner	Ownership, maintenance, operation of PG&E's transmission infrastructure
Transmission	Transmission Access Charge	Access to CAISO's transmission system
Transmission	Transmission Revenue Balancing Account Adjustment	Mechanism to credit revenues paid to PG&E by CAISO against transmission rates
Transmission	Transmission Energy Cost Recovery Amount	Not clarified in recent tariffs or advice letters
Distribution	Distribution	Low voltage power lines, poles, substations, and transformers
Public Purpose Programs	Public Purpose Programs	Programs considered by law to benefit society
Other	Department of Water Resources Bond	Bonds for power purchased by DWR for customers during the 2000–2001 energy crisis
Other	New System Generation Charge	New generation assets procured by IOUs as CPE per CPUC direction
Other	Reliability Services	Reliability services costs assessed by CAISO
Other	Conservation Incentive Adjustment	Credit to customers who primarily use within baseline; charge for all other usage
Other	Nuclear Decommissioning	Decommissioning for Diablo Canyon and Humboldt Bay nuclear plants
Other	Competition Transition Charge	Legacy electricity contracts signed prior to 1998 exceeding market price limit
Other	Energy Cost Recovery Amount	Debt and obligations related to PG&E's 2020 bankruptcy
Other	Wildfire Fund Charge	Charge on behalf of DWR to fund the California Wildfire Fund
Other	Wildfire Hardening Charge	Preventing and mitigating catastrophic wildfires
Other	Recovery Bond Charge	Repaying bonds issued to cover catastrophic wildfire costs
Other	Recovery Bond Credit	Trust fund credit against the Recovery Bond Charge

Table 4: State Budget Sources Used in Figure 9

Budget Years	State Budget Source	Page
2015–16 2016–17 2017–18	2017–18 State Budget, General Government 8860 Public Utilities Commission	GG 1
2018–19 2019–20	2019–20 State Budget, General Government 8860 Public Utilities Commission	GG 1
2020–21 2021–22 2022–23	2022–23 State Budget, General Government 8860 Public Utilities Commission	GG 1
2023–24 2024–25 2025–26	2025–26 State Budget, General Government 8860 Public Utilities Commission	GG 1

Note that each budget document contains data for two historical years.