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July 7, 2026

Subject: Comment on PG&E Electric Rule 30 Proceeding (A.24-11-007)

Dear President Reynolds and Commissioners:

We, the undersigned organizations, write to urge the Commission to protect ratepayers from costs caused by data centers in Application (A.) 24-11-007.

The Commission faces an urgent question: who should bear the costs of the transmission infrastructure required to serve data centers? The answer should be straightforward. California households, small businesses, and other utility customers are already struggling under some of the highest electricity rates in the nation and should not be required to subsidize the transmission investments needed to serve some of the largest and best-capitalized corporations in the world. The Commission should ensure that data center owners bear responsibility for the

transmission infrastructure they necessitate, rather than broadly socializing those costs across existing ratepayers.

Data center loads are exceptionally large, geographically concentrated, highly sensitive to reliability, and often have uncertain future demand. These characteristics can drive substantial transmission network upgrades and expose existing customers to stranded-cost and affordability risks if costs are not appropriately assigned. The Commission has an opportunity and an obligation to establish strong ratepayer protections before utilities incorporate these costs into rates.

First, the Commission should reject PG&E's proposal to broadly socialize Transmission Network Upgrade ("Type 4") costs. The fact that transmission investments might one day provide broad system benefits does not justify assigning all costs to existing customers. New data center load can alter transmission needs. The Commission needs to adopt a framework that protects residential and small-business customers from those costs. PG&E's proposal to broadly socialize Type 4 costs would worsen California's affordability challenges.

Second, the Commission should require data centers to provide upfront funding for the Type 4 upgrades needed to serve them. Parties have proposed several reasonable interim approaches to accomplish this, including load-based development fees, upfront contributions to transmission upgrade costs, and other financing mechanisms designed to protect ratepayers while a comprehensive framework is developed for assigning Type 4 upgrade costs and specifying rate design policies for data centers. Most parties agreed that data centers should pay for the transmission infrastructure they require, and existing customers should not be left bearing the costs associated with speculative or rapidly changing data center demand. The Commission needs to place those risks on the data centers driving the investments rather than on general ratepayers.

Third, the Commission should direct the development of a more precise and durable cost-allocation methodology that assigns transmission network costs and all other appropriate electric system costs to data centers according to the benefits they receive. Broad socialization and rough approximations should not become permanent policy. More granular approaches are feasible and should be explored, including cost responsibility based on customer-specific or geographically specific benefits. The long-term objective should be a beneficiary-pays framework that aligns cost responsibility with the extent to which customers drive or benefit from transmission investments. A beneficiary-pays framework aligns with established Commission cost causation principles, avoids unjustified cost shifting, and provides a more durable foundation for accommodating future load growth.

California is entering a period of significant electric load growth. The Commission's decision in this proceeding will establish an important precedent for how the costs of serving that growth are allocated. The Commission should seize this opportunity to protect ratepayers, reject broad socialization of data center transmission network costs, require upfront funding from data centers for all transmission upgrade costs, and establish a path toward a more accurate beneficiary-pays framework for allocating network costs.

We appreciate the Commission's consideration of these concerns and look forward to continued engagement in this proceeding.

Sincerely,

Sierra Club, Julia Dowell, Senior Campaign Organizer

Affordable Energy Campaign, Jose Torres, Executive Director

Alliance of Californians For Community Empowerment (ACCE), Eric Lerner, Climate Justice Director

Brightline Defense, Alexis Sutterman, Senior Policy Manager

California Alliance for Community Energy (CACE), Brett Garrett, Secretary

California Environmental Justice Alliance (CEJA), Feby Boediartha, Senior Energy Justice Manager)

Center for Biological Diversity, Meya Saenz Zagar, Energy Justice Campaigner,

Center on Race Poverty and the Environment (CPRE), Sabrina Molina, Environmental Justice Policy Analyst

Central California Asthma Collaborative, Jenna Roper, PhD, Senior Policy Associate,

Central Coast Alliance United for a Sustainable Economy (CAUSE), Lucia Marquez, Policy Director

Climate Action Campaign, Anthony Dang, Policy and Community Outreach Manager

Communities for a Better Environment, Shana Lazerow, Legal Co-Director

Institute for Local Self-Reliance, John Farrell, Co-Director

Leadership Counsel for Justice and Accountability, Mariela Loera, Energy and Climate Policy Manager

Reclaim Our Power (ROP), Travis Gibrael, Research and Education Organizer

The Greenlining Institute, Carmelita Miller, Energy Strategist

Rising Sun Center for Opportunity, Sneha Ayyagari, Director of Policy,

SanDiego350, Parke Troutman, Utilities Campaign Manager

The Utility Reform Network (TURN), Mark W. Toney, Ph.D., Executive Director

Vote Solar, Claudine Y. Custodio, West Regulatory Director