Reject PG&E Excessive Rate Hike of 30% by 2030

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Save Porter Ranch

November 19, 2026

President John Reynolds and Commissioners
California Public Utilities Commission
505 Van Ness Avenue, San Francisco, CA 94102

Re: Reject Excessive Rate Hike from Pacific Gas and Electric Company 2027 General Rate Case, A.25-05-009

Dear President Reynolds and Commissioners:

On behalf of the 37 undersigned environmental, environmental justice, consumer advocacy, and economic justice organizations urge the Commission to reject PG&E's proposed $16.598 billion test year 2027 revenue requirement as excessive and to authorize only the costs PG&E has proven are necessary. PG&E's customers cannot afford another round of unchecked increases. Its residential rates grew 84% from 2016 to 2026, 40% faster than inflation. Non-CARE residential rates, paid by households too well-off for assistance but too stretched to absorb increases, grew 88% net of inflation from 2019 to 2024. Roughly 500,000 households are below the poverty line in PG&E's territory, plus 1.5 million more in the "CARE/FERA gap," meaning that they are above the poverty line and ineligible for CARE, FERA, or ESA but below United Way's Real Cost Measure.

1. The Commission should require clarity from PG&E on its proposed cuts in capital investments. Since the end of briefing this summer, PG&E has made public statements that it plans to eliminate $2 billion of planned capital investment, claiming it cannot raise funding for all its planned capital investments due to assigning wildfire liability costs to ratepayers and investors.[1] Yet, the utility has not specified in any filing in this docket or in response to data requests exactly what this plan includes. The Commission needs additional information from PG&E about exactly what it plans to change in its near term investments, because currently there is no evidence on the record to match what PG&E is stating to the public.

2. PG&E's request is too high, and the Commission should cut costs customers do not need. Given these affordability pressures, the Commission must scrutinize every dollar. It should reject costs that are not known and measurable, especially contingency adders; inflated load, EV, and capital forecasts; costs built on outdated or previously rejected assumptions and work plans; shareholder-oriented costs; excessive or premature capital spending with uncertain benefits; and proposals that shift financial risk from shareholders to ratepayers.

[1] Patti Poppe (@pattipoppe), *My coworkers at Pacific Gas and Electric Company have worked hard to transform . . .*, LinkedIn (Sept. 2, 2026, 7:24 AM), https://www.linkedin.com/posts/pattipoppe_california-activity-7500921670237446145-QaCt.

3. PG&E has not carried its burden of proof. PG&E must show that each cost is reasonable, necessary, and in the public interest. For many of the costs it seeks, it has not done so. Where the evidence falls short, the Commission must deny recovery.

4. The Commission should tighten oversight of PG&E's spending in balancing and memorandum accounts. As the Public Advocates Office recommends, the Commission should reject new two-way balancing accounts and continued memorandum accounts for routine costs, including the New Business Balancing Account and the two-way Medical Balancing Account. These mechanisms remove the incentive to operate efficiently and shift forecasting risk onto customers. We support more rigorous review, stronger cost controls, greater transparency, and fewer automatic recovery mechanisms.

5. Ratepayers should not fund unnecessary investments. The Commission should fund what customers need, including electrification, grid decarbonization, and bill relief, rather than higher revenue requirements and returns for PG&E. In particular, the Commission should:

- **Avoid new gas infrastructure likely to become stranded.** New gas pipelines lock in fossil fuel dependence for decades and will leave customers paying for stranded assets as California moves off gas. The Commission should approve the Service Line Non-Pipeline Alternatives Program and the lower gas forecasts agreed to by Sierra Club, NRDC, and PG&E. It should also disallow $7.0 million in test year 2027 for new business gas service, since state policy is driving fewer new gas connections and declining demand.
- **Deny the Customer Battery Infrastructure (CBI) Program.** CBI would let PG&E install batteries in customers' homes and earn a guaranteed return while competing with third-party battery providers. PG&E has failed to prove why it should be granted ratepayer support to participate in an active home battery market. Denying its capital costs would save ratepayers $13 million in 2027 and $26 million annually from 2028 through 2030.
- **Require proof of need for undergrounding.** As TURN recommends, PG&E should demonstrate need before undergrounding distribution lines outside normal Commission procedures. Limiting test year 2027 undergrounding to 191 miles without additional ratepayer funding would save ratepayers $650.9 million in 2027 and $64.8 million in 2028. Insulating overhead powerlines is faster and significantly less costly yet just as safe as undergrounding.
- **Reduce PG&E's request for gas pipeline replacement.** While we appreciate the potential consequences of gas pipeline explosions, PG&E's own risk assessment of its gas system does not warrant the scale of replacement proposed. National analysis has found aggressive gas pipeline replacement by utilities has not proven to improve system

safety, and in fact could prevent utilities from investing in real safety solutions.[2] And by unnecessarily spending millions of dollars on pipelines now, PG&E is forcing the next generation of Californians to pay for gas infrastructure they don't need so they suffer pollution they don't deserve. Only permitting targeted replacement and reducing PG&E's gas pipeline spending request could save $300 million just in 2027 alone, and much more by avoiding future stranded costs.

6. PG&E's planning and forecasting must reflect reality. The Commission should affirmatively find that PG&E's rates are unaffordable for a substantial share of its customers, and apply that finding as a screen on every contested forecast. It should demand value for money: TURN's record shows outage duration and frequency worsening even as distribution revenues climbed. It should also treat PG&E's bill-stability claims with skepticism. On May 14, 2026, PG&E told parties that bundled residential bills would grow about 1% per year through 2029. The next day, it filed A.26-05-007 seeking $3.2 billion more starting January 1, 2027, a 5.7% rate increase.

7. Require PG&E to transparently describe its "all-in" number, including off-cycle 2027 requests in balancing and memorandum accounts. PG&E should present AB 2847 estimated revenue requirements for the entire request and each functional area, plus an AB 2666 supplemental table separating over- and underspending on balancing- and memo-account activities from costs recoverable only through authorized GRC revenues. PG&E has conceded it would need $9 billion more in capital without its requested balancing account, and another roughly $2.2 billion sits in balancing and memo accounts not yet submitted for recovery. The true ask is far larger than the filed request.

PG&E corporate interest must not be allowed to dictate what California residents and businesses pay for their basic needs. PG&E's customers are already stretched to the limit. PG&E needs to explain exactly what cost it's requesting and which costs, if any, it proposes to cut in its capital strike. We urge the Commission to hold PG&E to its burden of proof, reject unsupported and unnecessary costs, and adopt a final decision that puts affordability first.

Respectfully,

Affordable Energy Campaign, Monica Embrey, Founder

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

Brightline Defense, Alexis Sutterman, Senior Policy Manager

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[2] Dorie Seavey et al., Future of Heat Initiative, *Spending and Safety Outcomes in U.S. Gas Distribution Systems: An Assessment of DIMP & PHMSA's Call to Action* (July 2026), https://thefutureofheat.com/safety.

California Alliance for Community Energy, John Smigelski, President

California Environmental Justice Alliance, Feby Boediarto, Senior Energy Justice Manager

Californians for Energy Choice, Eric Brooks, Campaign Coordinator

CALPIRG Education Fund, Jenn Engstrom, State Director

Carbon Zero Buildings, Inc, Andrew McNamara, Principal & Co-Founder

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

Center on Race, Poverty and The Environment, Sabrina Molina, Policy Analyst

Central California Environmental Justice Network, Nayamin Martinez, Executive Director

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

Elders Climate Action (ECA) Northern California (NorCal) Chapter, Todd Weber, Volunteer, Chapter Co-Leader

Elders Climate Action (ECA) Southern California (SoCal) Chapter, Richard Burke, Founder, Chapter Leader

Every Fire Survivor's Network, Joy Chen, Executive Director

Green Sanctuary Committee of the Unitarian Universalist Church of Palo Alto, Barbara Smith-Thomas, Co-Chair

GRID Alternatives, Emma Searson, Managing Policy Director

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

NextGen California, Arnold Sowell Jr., Executive Director

Oil and Gas Action Network, Matt Leonard, Director

Project Green Home, Sven Thesen, Co-Founder

Protect Playa Now, Faith Myhra, Volunteer Organizer

Reclaim Our Power: Utility Justice Campaign, Emi Yoko-Young, Policy Organizer

Redwood Energy, Sean Armstrong, Managing Principal

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

SanDiego350, Tyler Andre**,** Affordable Energy Campaign Coordinator

San Francisco Bay Physicians for Social Responsibility, Robert M. Gould, MD, President

Santa Cruz Climate Action Network, Pauline Seales, Organizer

Save Porter Ranch, Kyoko Hibino, Co Founder | Director

Sierra Club, Tami Chipeco, Senior Campaign Organizer

Sunflower Alliance, Shoshana Wechsler, Coordinator

The Climate Center, Barry Vesser, Chief Program Officer

The Greenlining Institute, Carmelita Miller, Energy Strategist

Vote Solar, Claudine Y. Custodio, Regulatory Director

350 Bay Area, Laura Neish, Executive Director

CC:
Honorable Xavier Becerra, Governor-Elect, State of California