January 21, 2026 Rates Webinar – Video Transcript

Hello, and good morning. Thank you for joining us for the January 2026 Semi-Annual Business and Agricultural Rate Filings and Updates Webinar. Very quickly, our agenda today will review safety, briefly, logistics, electric and gas rate pricing adjustments, billing modernization updates, and non-residential Solar Billing Plan.

Please, if you're on the road, don't be on the phone. And again, personal safety and health is best-- that is everything from mental health to if you have cold or flu-like symptoms. If you're having an emergency and you're alone in need of our assistance, you can drop it in the Q&A. But otherwise, feel free to drop off. We will be sharing this after the event. Take care of yourself.

Very important, these are the webinar logistics for this team's live event. All attendees are on mute automatically. If you're experiencing any audio issues, please first log out and log back in. If you're still experiencing those, can enter it into the Q&A and I'll see if we're having anything on our end and respond.

Please, also, if you enter your email in the online Q&A section, you will receive a copy of the recording and a PDF copy of the presentation that will have the question and answer embedded in the appendix at the end. Your personal email will not be posted to the audience. So again, if you want a copy of this, please enter your email into the Q&A.

If you have any questions, please enter them in the Q&A section. We will do our best to address them during the live event. But if we are unable to respond in the most accurate way possible, then we will go ahead and respond to them afterwards, and they will be part of the response that is embedded in the appendix on the post-event email.

Now, if you have any questions that are specific to your business, please include your name and contact information. And just like with your email, it will not be posted to the wider audience, and then we will respond after the webinar. If you want us to call you or email you, you can even specify that. And please include your name, because sometimes we just get very generic emails and so we don't know who we're addressing.

All right, let's begin. We're going to start with our electric and gas rates. And I will hand this over to Ben.

Great. Thank you, Jeannie. And hi, all. Thanks for joining us today.

Following our standard format, we will begin by talking through key regulatory proceedings that may impact rates in 2026. And then we will cover our rate change calendar through the end of 2026 for both electric and then gas. Just a reminder that this forecast is based on the latest information available in the pending proceedings that we'll cover. But there is uncertainty around the timing and magnitude of the rate changes for 2026, which depends on what is ultimately authorized by our regulators.

So I'll start with number one on the list, which is the 2023 Wildfire Mitigation and Catastrophic Events Proceeding. This proceeding was approved for what's called interim cost recovery, which allowed PG&E to begin recovery of a portion of the request, subject to adjustment, once the final decision is issued. The interim cost recovery is going to be ending on March 2026, and will be removed from rates at that time.

We have received a proposed decision for the overall proceeding, which is scheduled for the February 5 CPUC voting meeting. So if it's approved at that time, we'll be implementing the remaining collection in the March rate change. Because the interim cost recovery will also end at that time, it's going to be offsetting any remaining collection approved by that final decision.

So this is the only pending proceeding that we're tracking for the March rate change. The next three proceedings we're tracking for September implementation for electric. And for each of these remaining three proceedings, we do not yet have a proposed decision.

So number two on the list is the Wildfire and Gas Safety Cost, or WGSC application. This proceeding also included interim cost recovery, which was removed from rates last year. So we're now just waiting on a final decision to inform any remaining cost recovery in the proceeding.

Third is the Billing Modernization Application, which seeks approval funds to update and modernize PG&E's billing system. We're going to be covering this in a little bit more detail later in the agenda.

And then finally, we have the 2024 Wildfire Mitigation and Catastrophic Events Memorandum Account Application. This is seeking recovery of recorded wildfire and emergency response costs through 2023. And again, there's no proposed decision for that, so we'll be keeping an eye on it as the year progresses. So I'll hand it over to Katja to see if there's any nuances on gas that she wants to call out before we move to the electric rate change calendar.

Thanks, Ben. No, I think you covered it. Since all these proceedings impact both electric and gas, we can go ahead and move on to the rates.

Great. Thank you. So here's our Electric Rate Change Calendar.

First, I'd like to ground everyone on the slide. So this slide presents system average rates set by PG&E for bundled and unbundled customers for each rate change anticipated through the end of 2026, along with the key drivers for each rate change. So drivers that are approved by the commission are shown in blue, and drivers that are still pending are shown in red. And the forecast assumes that all pending proceedings are approved at the amounts and timing requested by PG&E.

Finally, for the unbundled average rates, therefore, PG&E provided services only, and they exclude the generation supplied by community choice aggregator or direct access service providers. And this is why the present rate, which you can see on the bottom left of the screen, is lower for unbundled customers compared to bundled customers. And this results in the percentage changes often appearing higher for those unbundled rates cuts on top of a smaller nominal rate value. So because of this dynamic, we present both the nominal and percent changes in the average rates on this slide, and the total rate for customers enrolled in service with a direct access or CCA service provider will depend both on the rates shown on this slide and the generation rates set by the DA or CCA service provider.

So, as shown on this slide, we're planning for three electric rate changes in 2026. The rate change dates are January, March and September for electric, and that's consistent with the rate change dates that we had in 2025. And we're continuing to look for opportunities to consolidate rate changes together to minimize the number of times we change rates throughout the year.

So our first rate change is actually now behind us, and that's the Annual Electric True-Up that incurred on January 1. This is the most complex rate change that we have each year, where we adjust our generation related rates, true-up any balancing account balances, reset our sales forecast that's used for the rate calculation, and implement any proceedings that were approved by our regulators by the end of 2025.

So for bundled average rates, we saw an average rate decrease of about 5%. And this is mainly attributed to a decrease in the bundled generation-related rates that are approved through the 2026 energy resource and recovery account forecast proceeding. This generation rate decrease more than offsets increases to the Power Charge Indifference Adjustment, or the PCIA rate, and other transportation rate components.

For unbundled customers, again, the total rate is made up of charges that are set by PG&E, which are included on this slide, and generation charges that are set by the respective direct access and CCA service provider, which are not shown here. For PG&E charges, the average rate increased by about 19%. And this is driven by the increases to the PCIA and certain transportation rates. But again, this excludes the generation rate component set by the direct access and CCA service providers. So because of this, the total change for these customers will also depend on any changes to the generation rate set by the DA or CCA service provider.

Looking ahead to the March 2026 rate change, we currently forecast a decrease of about 2% for bundle customers, and about 2.7% for unbundled customers for the PG&E provided services. This decrease is due to higher cost recovery completing and being removed from rates, which more than offsets the pending 2023 Wildfire Mitigation and Catastrophic Events proceeding.

And then finally, we have our September 2026 electric rate change, which is currently forecast to be an increase of about 1.5% for bundle customers and 2% for PG&E charges for unbundled customers. This is driven by requested approval of the proceedings I covered before-- billing, modernization, wildfire, gas, safety cost, and the 2024 Wildfire Mitigation and Catastrophic Events.

So while the rate impacts on this slide are based on our system average rates, the rate changes do vary by customer, class, and even by rate schedule. So the next slide provides a little bit more detail to show the impact of these anticipated rate changes to the different customer class average rates. And there's a lot of detail here. This slide deck will be distributed for future reference. So with that, I will pass it over to Katja to cover the Gas Rate Change Calendar.

Thank you. Similar slide to the electric side. On this slide, I will be presenting the annual average transportation rates for noncovered entities that are on the following schedules-- G-NR2, large commercial, G-NTD, industrial customers situated on the distribution lines, G-NTT, Industrial customers situated on the transmission line, and G-EG, cogen or electric generators situated on the distribution or transmission lines.

I'd like to direct your attention and orientate you to the lower left-hand corner. You will see the annual average rates that went into effect on January 1 through the annual gas true-up. There's a lot of detail in the advice filing, which can be viewed on PG&E's website. But the main drivers behind the rate reduction are the removal of the 2023 general rate case track 2 costs, the elimination of the 2023 GRC late implementation, and a decrease in greenhouse gas compliance costs.

And then the upper left-hand corner box shows the change from the previous rate change, which was September 1, 2025. As we move on, similar to the electric side, we are anticipating only two more rate changes after January 1. And moving into March, if the 2023 WMCE is approved by the February 2nd Commission Voting Meeting, we will have a rate change that slightly will increase rates, and then that will be followed by a scheduled August rate change.

The August rate change reflects the removal of the G-TNS audit costs, which have been included in rates for the past five years. These costs have now been fully recovered, and will be taken out of rates, resulting in a decrease. Whether this decrease is partially offset by an increase depends on the timing of regulatory approvals for the billing modernization, 2024 WMCE, and the WGSC cost recovery, they need to be approved by the July 6th Commission Voting Meeting to be incorporated into the August rate change. If they do get incorporated, this would result in a slight increase. If not approved, these costs will be implemented at a later date.

Now, let's move on to the next slide. This slide offers a different view of the previous one, displaying the total annual average rates by customer class. It also includes the annual average rates for bundled customers, including small commercial customers on GNR1 scheduled and covered entities. Covered entities do not pay the greenhouse gas compliance costs to PG&E. Instead, they have a direct obligation to the Air Resource Board.

And that is it for gas for 2026. I'll turn it over to Jamie, who will be discussing billing modernization.

Thank you, Katja. Good morning. I'm Jamie Gutierrez, a change management lead with Billing Modernization. So we'll go ahead and dive in. Just to note, following this webinar, I'm happy to reach out with answers to questions that you are adding to the Q&A, so please feel free to do that.

We are modernizing billing to deliver safe, simpler, and more dependable customer experience through three stages, the first being the implementation of Billing Cloud Service, or BCS, which took place in August. By upgrading the legacy platforms and stages, this allows us to reduce risk, strengthening security and accelerating improvements that customers can feel, hopefully on your bills and in every interaction. And shown on the right is how we are integrating our meter data management and CC&B into a single platform, such as C2M. And our Stage 3, which is our end goal, which also includes incorporating those gas accounts that are currently still billed in the ABS system.

So some of the benefits we hope that you're seeing, and will see, through this three-stage project is greater reliability. So we are retiring these 20+ year old components, which reduces the risk of critical failures in our tier 1 billing systems, which helps us to protect the day-to-day customer activities like payments, statements, and rate changes. And then we have upgrades that let us apply current generation vendor patches and defenses, reinforcing our cyber posture around billing information and interactions. So staying on top of all those upgrades and technology upgrades will be quicker, more efficient, and better overall experience for you as our customer, and internally for us, as well.

Improving readability and transparency for our customers with our reduced energy statements. Faster delivery of new rate programs, which you've just heard a lot about, and customers we know care about deeply. The program staged approach enables us to deliver priority rates, such as the Net Bill Tariff, or NBT, so customers can see benefits sooner, instead of years ahead of a full platform consolidation. So continuing to do this in phases and stages throughout the whole process and modernization effort.

Modern integration really reduces delays between systems, improving that bill accuracy and timeliness, an everyday win for customers awaiting statements and adjustments. Real-time orchestration and richer status visibility means fewer repeat truck rolls and better coordination, which shortens resolution times. Earlier customer value with lower implementation risk-- so this threestage roadmap lets us stabilize and enhance today's experience while we build tomorrow's single platform future. So again, delivering benefits continuously throughout this staged approach, and not just at the end. And that also allows us to take that check and balance and really look at those lessons learned along the way that we want to incorporate.

And then the modern experience that you've recently had is the BCS, which is live, to our largest and most complex customer segments, which is outlined here, as well. Our core system is CC&B, which facilitates $30 billion revenue generation and collection annually. So this really is demonstrating the tangible customer value of modernization. Faster issue resolution and visible follow through-- so we're able to do the assessments, improve responsiveness, keep fixes moving, which customers experience as faster, clearer resolutions.

In some complex billing scenarios, we know that you have been impacted and affected by in this August transition, so we continue to address them through a discipline process like identifying, research. Then we do have to test them. We have to consider workarounds. We have to consider possible changing of how we're working through the process. So there's a lot of testing and releasing and fixes that go into this to really identify the best priority and release dates, and how we're doing that.

So some of the things that we're doing for impacted statements, we process those canceled rebuilds or adjustments. You may receive letters based on those communications related to any defects that may have impacted you, or billing corrections that are taking place. You will also, if you don't receive a letter, there will also be a transparent bill message awareness on there.

So short explanations on your energy statement, call out any correction of why you would be seeing a credit or adjustment on there. We're continuing to shift these fixes and enhancements and regular releases, monitoring results, and keeping communications clear as our end goal here. And we can go ahead and move on to the next slide.

So hopefully we have some easy to find help and self-service resources. We have some dedicated service centers, account managers, and guided web resources that explain bill changes, and we answer some common questions. So these are just some call outs to some email addresses you can use in addition to reaching out to your assigned account rep, and those customer service centers that are applicable to your business account needs. And with that, I will go ahead and turn it over to Alex with Net Energy Programs. Thank you.

Thanks, Jamie. I'll be sharing the overview for the Non-Residential Solar Billing Plan. Today we will go over what the Solar Building Plan is, who is eligible for it, as well as some resources.

The Solar Building Plan, also called Net Billing Tariff, is PG&E's most recent renewable generation program. It applies not only to solar, but to all renewable energy technologies, which include fuel cell, as well as wind. One of the key goals of this plan is to encourage customers to pair their renewable generation with battery storage, which helps support grid reliability.

The primary value of installing solar, or any renewable, is reducing the amount of electricity you need to buy from PG&E by generating your own power. And when your system produces more than you use, that extra energy flows back to the grid and you earn energy export credits for that excess energy. These energy export credits are set by the CPUC, California Public Utilities Commission, and depends on the availability of energy supply and demand throughout the year.

These prices vary by hour, day, month, and season. You'll earn higher credits for energy sent to the grid when the sun is setting. This is when the grid supply is lowest, and when energy demand is also highest.

So energy export credits vary based on few factors, as mentioned on the previous slide. These credits can change every hour. The 4:00 PM to 9:00 PM time frame usually have the highest values, because this is when grid supply is tight, while customer demand is still high.

Credits will also differ, depending on whether it's a weekday or a holiday/weekend, and this is due to the grid demand shift. Credits also fluctuate based on month, reflecting changes on weather, solar production, as well as grid conditions. Credits will differ for energy produced, the generation, and the delivery of that energy. There's a difference between pricing for bundled and unbundled customers. Those served by CCA receive different credit values for their generation, and we do ask unbundled customers to contact their CCA for this pricing.

Now, for who's eligible for the Solar Billing Plan. Customers who have submitted an application after April 15, 2023, also includes NEM1 customers whose 20-year legacy period has expired, as well as customers who have made a modification or expanded their legacy NEM1 or NEM2 system above the tariff threshold limits, which include greater than 10% of the original renewable electrical generation facility nameplate capacity, or an overall system size of greater than 1 kilowatt.

Now, sharing some resources that we have for customers, we have a welcome guide. This walks customers through the core of the Solar Billing Plan, of how the solar production reduces the energy that they draw from the grid, and how credits are earned when they export excess energy. We then break down both the monthly bill, as well as the annual true-up.

The monthly bill section helps customers understand their charges and credits each month, while the true-up explains how everything comes together over the 12 months. We've also included an FAQ, as well as a glossary of key terms. This helps to demystify common questions and clarify Solar Billing language.

Then we have a few videos to help customers understand Solar Billing Plan. We provide an overview video that explains the core mechanics of the Solar Billing Plan. Again, also just specifically how customers earn credits for the energy they export, and how their charges are calculated. It helps really set this foundation before diving into the billing details.

Then, going into a monthly billing video, we walk customers through their regular bill. It highlights where to find the key information like energy charges, credits and usage so customers can better understand what they're looking at each month. For customers who want the full picture, the true-up video will help customers understand how their charges and credits accumulate over the entire 12-month cycle. It shows how monthly bills roll up into the annual true-up, and helps customers anticipate what their final annual balance might look like.

Then we have the EEC price sheets in a PDF. This helps show the hour-by-hour energy export credit values throughout the year. This is really a quick visual reference for understanding how credit prices change by that hour, month, and grid condition for customers.

Then we have the same credit values in Excel format. This version is really useful for those who want to filter, sort, or run your own analysis to calculate estimated export values based on your particular system's production. Select resources are available on pge.com.

Then we have our transition and seasonal notices. These transition letters will go out to NRM1 customers whose 20-year legacy period has ended. We send them twice-- once 60 days before the transition, and again 30 days before the transition, so customers know what to expect and have time to prepare. After customers transition, they'll receive a seasonal email, which helps them understand how their charges and credits change throughout the year. These messages highlight how weather patterns, seasonal solar production, and grid conditions affect their bill so they can better anticipate changes.

In addition to the resources shown on the previous slide, we're putting together additional external webinars focused on the Solar Building Plan so customers can have a deeper understanding of the Solar Building Plan and ask any questions as they go through this process. And if you have any questions, please feel free to put it in the Q&A, and we'll take your feedback for our upcoming webinars. And if you have any questions after this presentation, feel free to contact your respective call center listed here, or your assigned account rep.

Thank you, presenters. I really appreciate all of you sharing your knowledge with our audience. And to our attendees, again, if you are interested in receiving a link to the recording and a copy of the deck with the Q&A embedded in it-- so any questions you may have asked or, anybody else has asked-- we will respond to you in a thoughtful and thorough manner, and they will be in the appendix of the attached PDF that you receive in the email.

It will be a few days, just because we do have some ADA compliance that we have to comply with. So we're going to make sure that that's taken care of before we send it out. But other than that, if you think of anything now, I will have this available to you to continue to put in your questions. Thank you again for attending.