



ELECTRIC PRELIMINARY STATEMENT KO

Sheet 1

(N)

ELKHORN ENERGY STORAGE SYSTEM MEMORANDUM ACCOUNT (EESSMA)

(N)

KO. Elkhorn Energy Storage System Memorandum Account (EESSMA)

(N)

1. **PURPOSE:** The purpose of the Elkhorn Energy Storage System Memorandum Account (EESSMA) is to track and record the authorized revenue requirement and CAISO market revenues received for PG&E's normal, business-as-usual costs to own and operate the Elkhorn Energy Storage System, effective April 15, 2026. The EESSMA will also track and record accrued interest on the authorized revenue requirement and revenues tracked by the memorandum account.
2. **APPLICABILITY:** EESSMA applies to all electric customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** The balance in the EESSMA will be subject to refund as directed by the Commission in I.26-04-008 or another proceeding as authorized by the Commission.
4. **RATES:** EESSMA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The following entries will be made each month, or as applicable:
 - a. A credit entry equal to the adopted revenue requirement associated with operations related to the Elkhorn project. A corresponding debit entry is defined in PG&E Electric Preliminary Statement Part FS, Item 5.b)6.i.
 - b. A credit entry equal to the costs to charge the battery. A corresponding debit entry is defined in PG&E electric Preliminary Statement Part FS, Item 5.b)6.ii.
 - c. A debit entry equal to the CAISO market revenues received, net of any charges, for the CAM-eligible Elkhorn Energy Storage System. A corresponding credit entry is defined in PG&E electric Preliminary Statement Part FS, Item 5.b)6.iii.
 - d. A credit or debit entry equal to any other amounts as approved by the Commission.
 - e. An entry to transfer the balance in this account to another account as directed by the Commission.

(N)

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ELECTRIC PRELIMINARY STATEMENT KO Sheet 2 (N)
 ELKHORN ENERGY STORAGE SYSTEM MEMORANDUM ACCOUNT (EESSMA) (N)

KO. Elkhorn Energy Storage System Memorandum Account (EESSMA) (Cont'd.) (N)

5. ACCOUNTING PROCEDURE (Cont'd):

- f. An entry, as appropriate, each month equal to the interest on the average balance in this account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. Effective January 1, 2026, the monthly interest rate equals the sum of one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15 or its successor, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.

(N)