

# The Full Bill Impact of PG&E’s Expected Rate Requests

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**SUMMARY:** PG&E’s 2027 General Rate Case (GRC) and other requests seeking more revenue raise significant affordability concerns. PG&E has publicly stated that rates are “stabilizing,” but this framing omits the utility’s major cost recovery requests outside of the GRC budgeting process. When the totality of PG&E’s requests is considered, a **PG&E customer’s average bill could increase by 16% in 2027 and by 30% in 2030.**

## BACKGROUND

PG&E has characterized its 2027 GRC proposal as resulting in “moderate” or “stabilizing” rates. However, these characterizations reflect only a subset of projected costs. A complete assessment must include both:

- revenue increases to previously authorized revenue requested through the GRC.
- additional revenues PG&E expects to seek recovery for outside of the GRC process.

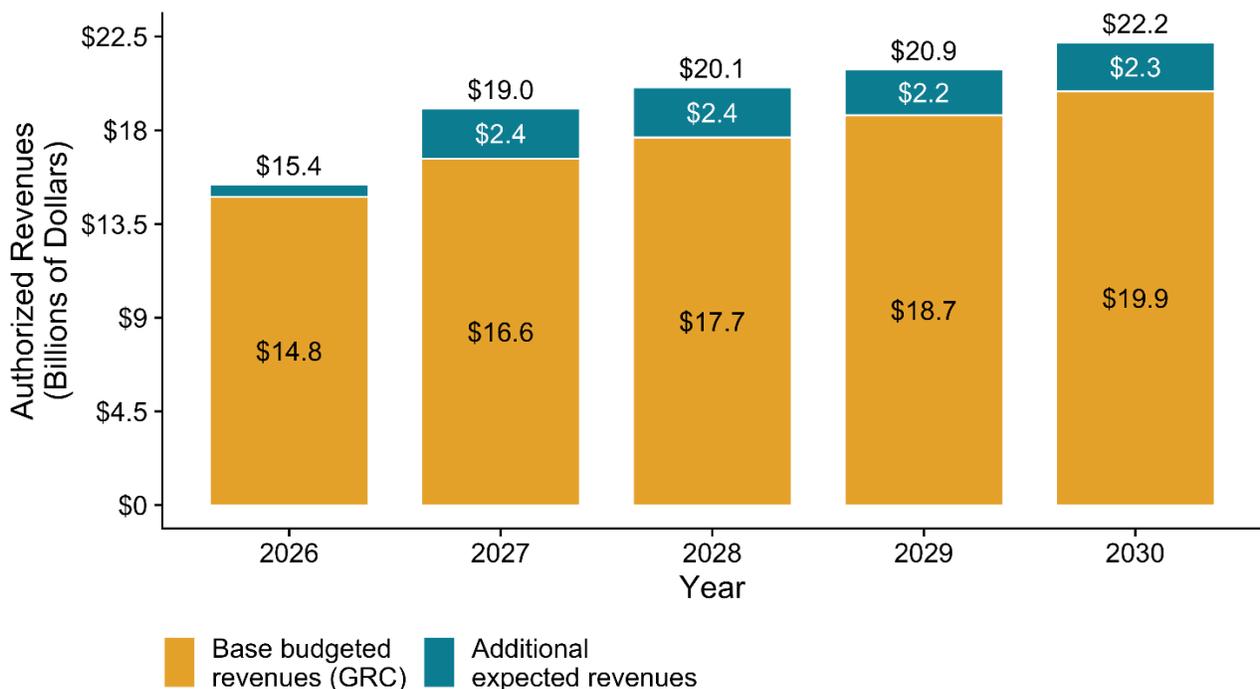
PG&E’s 2027 GRC proposes to increase revenues from \$14.8 billion in 2026 to \$19.9 billion (34%) by 2030.

But when additional expected revenues are included, total revenues could increase from \$15.4 billion in 2026 to \$22.2 billion (44%) by 2030.

## TOTAL EXPECTED REVENUE IMPACT

The figure below compares PG&E’s proposed 2027 GRC revenues with total expected revenues when additional recovery requests are included.

**Figure 1. PG&E’s proposals would increase its total expected revenues by 23% in 2027 and by 44% in 2030 relative to 2026 adopted revenues.**



The orange portion of each bar reflects PG&E’s proposed budgeted revenues through the GRC process. The blue portion reflects expected revenue recovery outside of the GRC, which includes:

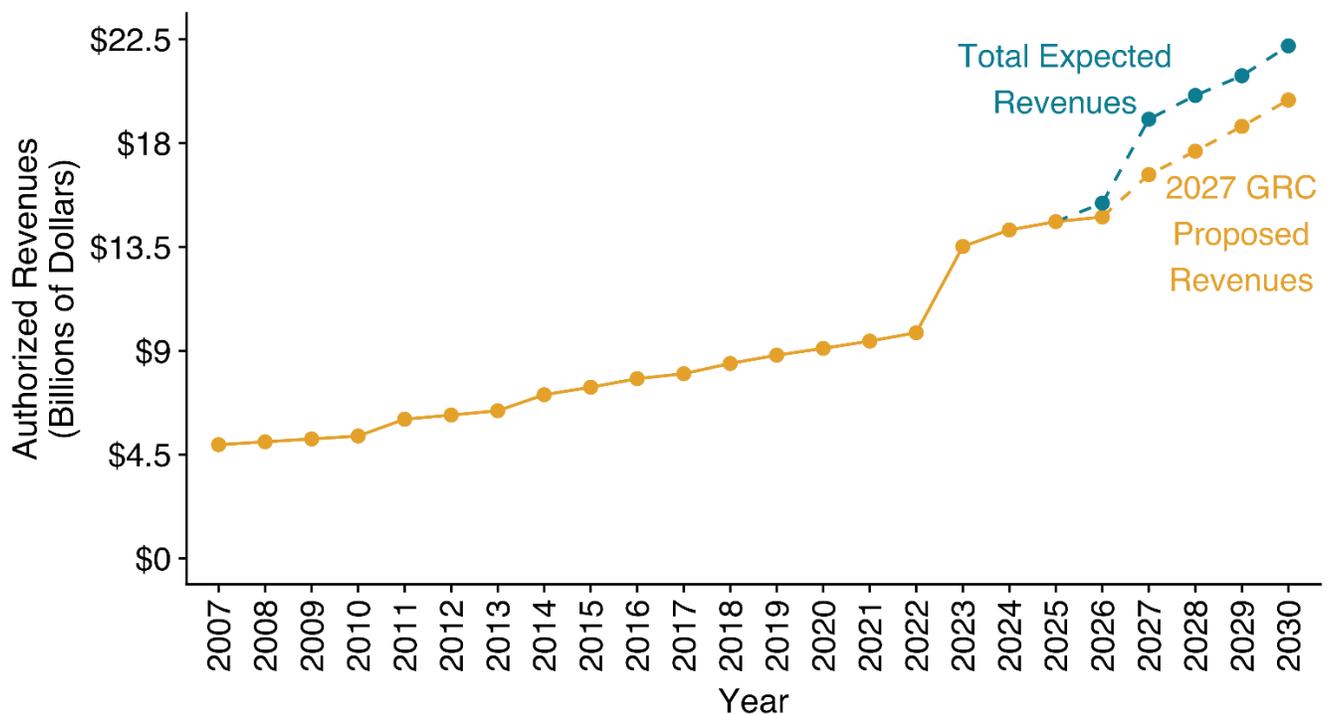
- (1) Energization and healthcare costs PG&E requests to move outside of the GRC in 2027-2030
- (2) Diablo Canyon Power Plant costs in 2027-2030
- (3) Wildfire liability costs from the Dixie and Kincadee fires in 2027-2030
- (4) PG&E’s requested billing system upgrade in 2027-2030
- (5) Distribution Undergrounding costs in 2028-2030
- (6) PG&E’s Wildfire and Gas Safety Application in 2027
- (7) PG&E’s 2024 wildfire-related cost recovery (WMCE) application in 2027
- (8) Future expected wildfire-related cost recovery (WMCE) applications in 2029-2030
- (9) PG&E’s outstanding balances in various memorandum accounts in 2028.

### COMPARISON TO PG&E’S PUBLIC FRAMING

While total expected revenues increase substantially when all projected recovery requests are considered, PG&E’s public messaging focuses on a narrower subset of costs.

Figure 2 compares PG&E’s authorized and proposed GRC revenues with its total expected revenue recovery when additional requests are included. The comparison shows that PG&E’s public framing reflects only part of the expected cost trajectory facing customers.

**Figure 2. PG&E’s “moderate” narrative omits major cost recovery requests.**



The solid orange line reflects PG&E’s revenues authorized through prior GRC decisions. The dashed orange line reflects PG&E’s proposed revenue increases in its 2027 GRC. The blue line shows PG&E’s additional revenue recovery outside of the GRC budget.

## KEY FACTORS SHAPING TOTAL REVENUE IMPACT

### 1. PG&E's "moderate" narrative excludes major cost recovery requests

- PG&E's framing is based on inappropriately comparing a partial accounting of the costs to operate and maintain its system in 2027 with total costs in 2026.
- When major cost recovery requests and memorandum account balances are included, PG&E's total expected revenues in 2027-2030 are materially higher than the GRC request alone.

### 2. PG&E will continue to seek significant cost recovery outside of its GRC budget

- PG&E continues to rely on regulatory mechanisms, i.e., balancing and memorandum accounts, to routinely request recovery of large costs outside of the GRC budgeting process.
- PG&E has requested to move healthcare and energization cost recovery into balancing accounts outside of the GRC, and to move undergrounding cost recovery to a different and less rigorous review process, i.e., advice letters, creating an illusion that the GRC request alone is more moderate than it is.
- PG&E currently maintains approximately \$1.056 billion in memorandum account balances that have not yet been requested for recovery, and even larger balances that have been requested but are not yet in rates.

### 3. PG&E proposes to continue wildfire mitigation cost recovery outside of the GRC

- PG&E proposes to continue recovering wildfire mitigation costs in its AB 1054 memorandum accounts outside of the GRC.
- This recovery mechanism has allowed for uncontrolled spending that undermines the GRC budgeting process.

### 4. The result is a significantly higher total revenue picture than PG&E presents publicly

- Figure 2 shows that the GRC budgeted revenues alone (dashed orange line) increase substantially through 2030.
- When major non-GRC recovery items (blue line) are added, the total expected revenue is higher and raises affordability concerns.

## AFFORDABILITY CONSIDERATIONS

- **PG&E's framing obscures the full bill impact to customers.** PG&E's public messaging emphasizes that rates are "stabilizing," but total expected revenues in 2027-2030 are materially higher than in recent years.
- **Cost recovery outside of the GRC budget creates additional upward pressure on rates.** In addition to PG&E's proposed rate increase, PG&E maintains substantial balancing and memorandum account costs that it recovers outside of the GRC process.
- **These costs directly affect customers' ability to afford electric and gas service.** Whether costs are recovered through the GRC budget or separate applications, advice letters, and memorandum accounts, the result is the same for customers: higher utility bills.

## CONCLUSION

PG&E's 2027 GRC proposes substantial revenue increases between 2027 through 2030. Additional cost recovery requests outside of the GRC budgeting process will further increase total revenues during the same period. Together, PG&E's revenue could increase the average customer bill by \$37/month (16%) in 2027 and by \$70/month (30%) in 2030. PG&E's increased revenue proposals have direct impacts on whether customers can afford essential electric and gas service.