



October 26, 2026

Re: PG&E's \$2 Billion Spending Threat Demands PUC Action To Enforce Utility's Duty To Serve & Legislative Oversight

Dear Members of the Senate Energy, Utilities and Communications Committee and Assembly Utilities and Energy Committee:

PG&E is threatening to delay electricity connections for 25,000 applicants, 68 renewable energy projects, and approximately 200 large-capacity projects, including housing developments and universities, after the Legislature refused to enact additional wildfire liability protections sought by the utilities. The company calls its \$2 billion capital spending deferral a necessary response to financing challenges. But the timing raises a serious question: Is PG&E facing a genuine financial constraint, or is it using California's housing, clean energy, and economic development needs as leverage to secure a wildfire liability bailout?

PG&E claims it must postpone these investments to avoid higher borrowing costs and protect ratepayers. Yet the company has not publicly demonstrated how much of the affected infrastructure actually requires PG&E to raise additional debt or equity. Under California's utility tariffs, developers and customers requesting new electrical service may be required to finance infrastructure through contributions or advances. Renewable energy developers also frequently provide upfront funding for interconnection facilities and grid upgrades. How much of the \$2 billion is PG&E actually responsible for financing, and how much is already being paid for by the customers and developers whose projects it is delaying?

PG&E has an obligation to serve. That obligation includes connecting:

- New homes,
- Renewable energy projects,
- Housing developments, and
- Universities.

Now PG&E has announced that it intends to breach that obligation.

California Public Utilities Commission (CPUC) mandates that the capital requirements of PG&E, such as connecting new customers, be given first priority. Further, it is well settled that PG&E's holding company must infuse capital into the utility to meet its obligation to serve. ([CPUC Decisions D.02-01-039](#) and [D.02-07-043](#))

Given PG&E's inability or unwillingness to meet its obligations to serve, CPUC requires that, (a) PG&E not dividend any funds to its holding company because that money needs to stay at the utility to complete the necessary utility work (such as new connections), and (b) the holding company has an obligation to raise and infuse up to \$2 billion into PG&E so that PG&E can fulfil its obligation to its customers.

We urge your committee to oversee the actions of the CPUC to ensure that PG&E complies with CPUC rules, and (1) does not illegally transfer billions of dollars out of the utility and into its holding company, and (2) that PG&E's holding company complies with its obligation to financially assist the utility while the utility is experiencing financial distress and remains unable to meet its obligation to serve.

PG&E's own financial disclosures raise further questions. PG&E's [October 22 earnings materials](#) indicate the company continues to plan substantial borrowing and capital investments, with no anticipated need to issue new equity through 2030. PG&E still plans to spend \$11.4 billion on capital investments in 2027.

Before the Legislature considers any further wildfire liability protections, PG&E should be required to open its books and answer the following questions, starting at Wednesday's Assembly oversight hearing:

1. Who is actually paying for these projects? Of the \$2 billion in deferred investments, how much represents PG&E-funded capital expenditures versus applicant contributions, advances, or developer financing? How much funding has already been committed or collected, and what amounts are ultimately reimbursable?
2. Do higher borrowing costs really justify \$2 billion in delays? What measurable increase in borrowing costs has PG&E experienced since the legislative session, and what additional financing expense would it incur by proceeding with these projects? How much of that expense would ultimately fall on ratepayers? Has PG&E demonstrated that it cannot secure the necessary financing, rather than simply preferring not to borrow at current rates?
3. What happened to PG&E's original financing plan? PG&E has been planning these 2027 investments for years, and the CPUC established its authorized cost of capital for 2026–2028. How much financing has already been secured, at what interest rates, and what specifically changed to make previously planned investments financially untenable? What alternative financing arrangements were considered?
4. Will delaying these projects save ratepayers money?
5. Why are customers and clean energy projects bearing the consequences? What financial criteria led PG&E to select these projects for delay while proceeding with \$11.4 billion in other planned capital investments?

We urge your committees to require PG&E to produce a project-level accounting of the deferred investments, including funding sources, existing agreements, anticipated financing costs, and projected ratepayer savings. The committees should also require PG&E utility and

holding-company executives, along with CPUC officials, to testify under oath about the company's claimed financial constraints, its decision to delay service, and the availability of funding to complete these projects. The CPUC and CAISO should independently review PG&E's claims within their respective jurisdictions rather than allowing the utility to be the sole arbiter of its financial necessity.

The Legislature needs to compel the PUC to use its authority to make PG&E observe its duty to serve, to get answers, and it should not reward threats of delayed electricity service with another wildfire liability bailout.

Sincerely,

A handwritten signature in black ink, appearing to read "Joy Chen".

Joy Chen
Executive Director
Every Fire Survivor's Network

A handwritten signature in black ink, appearing to read "Jamie Court".

Jamie Court
President
Consumer Watchdog