ENERGY DIVISION

CPUC New Rulemaking Revise the Rate Case Plan for Energy General Rate Cases

9/3/2026

At a Glance

In a new proceeding opened on September 3, 2026, the California Public Utilities Commission (CPUC) will consider updated requirements for General Rate Cases (GRCs) to increase affordability, accountability, and transparency.

The proceeding, called an Order Instituting Rulemaking (OIR), will consider revisions to the CPUC's existing Rate Case Plan (RCP) to further standardize GRC filings, streamline the GRC process, and address legislative requirements. An updated RCP further promotes the CPUC's goals of balancing safe, reliable, and affordable energy services for utility customers.

What is a General Rate Case (GRC)?

A General Rate Case (GRC) is the CPUC's primary review of a utility's spending plan.

- In Phase I of a GRC, the CPUC examines proposed investments and operating costs needed to provide electric (and natural gas) service and determines which costs are reasonable, approving a "revenue requirement" for the utility (a revenue requirement is the total amount of money a utility is authorized to collect from its customers each year).
- Phase 2 determines how the revenue requirement will be shared between different customer groups (i.e., residential, commercial, industrial, agricultural).

The RCP is the guiding document that provides the timeline and minimum filing requirements for each GRC application.

What key changes are considered in the new OIR?

The OIR considers revisions to the RCP for energy investor-owned utilities (IOUs) related to recent legislative and regulatory requirements and stakeholder input, focusing primarily on Phase 1 GRC applications. Considerations include:

- Requiring additional details that were requested in past GRCs, settlements, and energy proceedings impacting rates to provide a holistic analysis of affordability.
- Updates to GRC pre-filing requirements to increase IOU transparency and accountability. These updates reflect legislative requirements, including:

- Annual reporting and review of actual and authorized rate of return and costs (Assembly Bill (AB) 2666)
- A requirement for an estimate of future costs on ratepayers (AB 2847)
- Greater coordination with utility Wildfire Mitigation plans and spending (SB 254)

- Standardization of evaluation and decision-making frameworks to promote efficient proceedings, reduce delays, and decrease uncertainty while also protecting ratepayers.

Legislative Background

AB 2666, AB 2847, and SB 254 direct the CPUC to collect additional information from utilities related to capital and safety spending, impacting the filing requirements for GRC applications.

AB 2666	Requires the CPUC to review which costs, if any, differ from forecasted costs from the prior GRCs, adjust the revenue requirement in the subsequent GRC, establish guidelines for electric and natural gas IOUs to calculate and report their actual rates of return annually, adopt processes to adequately track actual rate of return relative to forecasted approved rate of return, and require the IOUs to identify the cost categories where projected costs differ from actual costs.
AB 2847	Requires the CPUC to determine whether an application from an electric or natural gas IOU requesting authorization for or recovery of capital expenditures requires cost estimates.
SB 254	Strengthens the alignment between wildfire mitigation planning and GRC process to reduce delay between spending and financial scrutiny. Authorizes electrical IOUs to establish, in the CPUC's discretion, accounts to track and recover verified under-collection amounts incurred for wildfire risk mitigation that are unforeseen and incremental to the wildfire risk mitigation programs and activities authorized in electric IOU revenue requirements.

How does this affect the GRC process and customer affordability?

Once finalized in a formal decision, the strategies in the OIR have the potential to strengthen accountability for utility spending; support efforts to address affordability; enable greater transparency into utility spending for intervenors and the public, and generate a more efficient process for all parties. By consolidating details on issues impacting rates in the GRC process, the updated process would equip the CPUC and intervenors who participate in GRC proceedings, such as groups representing consumers, with more complete information when considering GRCs.

What happens next?

The OIR initiates a formal proceeding. Interested parties are invited to submit comments on the order within 45 days of the issuance of the Rulemaking. It is anticipated that one or more public workshops and/or party and staff proposals may be needed to further develop and build consensus around the issues considered in this proceeding. Notice of any workshops will be posted on the CPUC's Daily Calendar.

The CPUC is already implementing certain legislative requirements addressed in this OIR in individual GRCs. For example, in March 2026, an Amended Scoping Ruling was issued in PG&E's 2027 GRC (A.25-05-009) to implement AB 2666.

How to Follow the Proceeding and Participate

- Sign up to receive documents in the proceeding.
- Read documents in the proceeding, and leave comments, on the Docket Card.