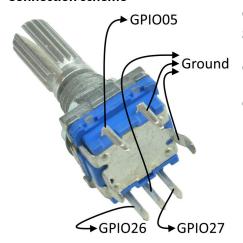
ESPHome provides (internally!) pulled up GPIO pins. This bring in the advantage that no Vcc line needs to be pushed to the rotary encoder sensor.

Connection scheme



GPIO05: binary sensor/momentary switch output (pulled down to gnd on pressing)

GPIO26: rotary encoder CLK or pin A

GPIO27: rotary encoder DT or pin B



