

April 24, 2002

Advice 2232-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Interim AB 995 Public Interest RD&D and Renewables Program Payments to the California Energy Commission

Purpose

Pacific Gas and Electric Company hereby requests authorization to continue quarterly payments to the California Energy Commission (CEC) at 1998-2001 levels to fund the Public Interest Research, Development and Demonstration (RD&D) and Renewables programs on an interim basis until the Commission or the legislature acts to establish final payment levels.

Background

AB 1890 established a public goods charge to fund public purpose programs, including funding for public interest RD&D and Renewables programs. Public Utilities Code Section 381(c), as interpreted in Decision (D.) 97-09-117 required PG&E to transfer \$29.7 million annually for RD&D programs, and \$48.0 million annually for Renewables programs to the CEC for the period 1998 through 2001. Decision 97-09-117 also adopted the schedule agreed upon by the parties to implement the transfer of RD&D and Renewables funds to the CEC on a quarterly basis. Both AB 1890 and Decision 97-09-117's payment obligations ran through the end of 2001.¹

Assembly Bill (AB) 995 extended the RD&D and Renewables programs by adding California Public Utilities Code Section 399.8(d), which requires PG&E, SCE, and SDG&E to collect \$62.5 million in total per year for RD&D programs and \$135.0 million in total per year for Renewables programs through 2012. AB 995 did not specify the specific dollar allocation and schedule of each utility's payments. Pending legislation, Senate Bill (SB) 530, would address the specific allocation between the utilities.

¹ AB 1890 also required the major electric utilities (PG&E, Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E)) to make a \$75 million renewables "tail" payment to the CEC in the first quarter of 2002. That requirement is being addressed elsewhere.

PG&E currently continues to collect from ratepayers through the Public Goods Charge, \$30 million per year in revenue for RD&D and \$48 million per year for renewables through its public goods charge.² Until such time that SB 530 (or subsequent legislation that provides a specific allocation) is passed, or the Commission issues a decision authorizing a specific allocation between the utilities, PG&E proposes to continue its quarterly payments to the CEC at the 1998-2001 levels. Specifically, PG&E proposes to continue on an interim basis its current quarterly Renewables payments of \$12.0 million and quarterly RD&D payments of \$7.425 million. When the Commission authorizes a final allocation between the utilities, PG&E will true up its payments to the CEC to reflect the final amount.

Concurrent with this advice filing, PG&E has wire transferred its first quarter 2002 payment of \$12.0 million for the Renewables program and \$7.425 million for the RD&D program to the CEC.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **May 14, 2002**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

² D. 97 09-117 requires PG&E to collect \$30 million for public interest RD&D, and transmit \$29.7 million to the CEC for its RD&D program. The remaining \$0.3 million is used by PG&E for transmission and distribution related public interest RD&D.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

Effective Date

PG&E requests that this advice filing become effective on regular notice, **June 3, 2002**, which is 40 days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments