

Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

June 26, 2012

Advice 3314-G/4073-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request for Exception under General Order 96-B Section 8.2.3 for the County of Sonoma, Department of General Services, to Retain Their Self Generation Incentive Program Incentive

Purpose

Pacific Gas and Electric Company (PG&E) hereby requests an exception under General Order 96-B section 8.2.3 to allow the County of Sonoma, Department of General Services, to retain their Self Generation Incentive Program (SGIP) incentive and also participate in the Assembly Bill 1613 feed-in-tariff program ("AB 1613 Program") with PG&E for its fuel cell generator located at 2860 Ventura Ave (Main Campus) Santa Rosa, CA 95403. PG&E seeks this exception since the County of Sonoma generator is sized within the limits established for new SGIP generators permitted to participate in the AB1613 Program, but does not meet the requirements since it participated in SGIP prior to 2011.

Background

In December of 2009, the County of Sonoma, Department of General Services applied and was granted a Reservation under the 2009 SGIP for the installation of a 1400 kW Non-Renewable Fuel Cell. The completed project received a site inspection in January 2011, and an incentive was paid to the County of Sonoma in the amount of \$3,000,000. Under the rules established in the 2009 SGIP Handbook, a customer who applied at that time could size their system up to 100% of the customer's highest previous 12 month annual *peak* demand at the proposed site (2009 SGIP Handbook section 2.5.6.2). The requirements in 2009 also deemed any Host Customer served by an onsite generator (or generators) that exported and sold power as ineligible for the program (2009 SGIP Handbook Section 2.2). These rules regarding sizing and sale of exports were revised starting in the 2011 SGIP Handbook pursuant to Decision (D.) 11-

09-015. Under these revised 2011 SGIP rules, systems that will be exporting power to the grid are allowed to size projects up to 125% of the last twelve months of electrical consumption at the site and the incentivized capacity of the generator will be based on 100% of the last twelve months of electrical consumption at the site (calculated by dividing the annual electric consumption at the site (in kWh) by 8760 and the expected capacity factor of the technology 80%). (2011 Handbook and Forms Section 9.1.4)

Since the County of Sonoma's application for SGIP was received and processed according to the 2009 rules, there is no provision for them to keep their SGIP incentive and participate in the AB 1613 Program.

Proposed Exception:

PG&E respectfully requests an exception permitting the County of Sonoma to participate in the AB 1613 Program for this 1400 kW Fuel Cell without having to forfeit any of their SGIP incentive. PG&E believes this will allow the County of Sonoma to maximize its benefits from the Fuel Cell while staying within the export limitations currently in place for new SGIP projects as set out in the 2011 SGIP Handbook.

The County of Sonoma meets the current 125% sizing requirement based on the supporting billing data received in 2009 (at the time of SGIP application). The County of Sonoma's historic 12 month energy use was 9,792,904 kWh and the expected output of the Fuel Cell installed was 9,811,200 kWh (based on guidelines for determining output as defined in D. 11-09-015). This places the customer well under the 125% limitation established in 2011 for customers wishing to participate in the AB1613 Program.

Based on the information outlined above it is fair and reasonable to allow the County of Sonoma to retain their SGIP incentive for the 1400 kW Fuel Cell project and also participate in the AB 1613 program.

Exception Provision for Government Agencies:

As outlined in General Order 96-B section 8.2.3: "At all times, a utility other than a telephone corporation may provide service (other than resale service) to a government agency for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect. The utility may begin such service without prior Commission approval, but the utility shall promptly submit an advice letter to the appropriate Industry Division to notify the Commission of the utility's provision of such service and of the rates, charges, terms and conditions under which the service is provided. Although the advice letter may be effective pending disposition under General Rule 7.5.3, the Commission may determine, in an appropriate proceeding, the reasonableness of such service." PG&E believes the exception request for the County of Sonoma outlined above is consistent with this provision of General Order 96-B.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **July 16, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this Tier 3 advice filing become effective on approval by the Commission.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.10-05-004. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President, Regulatory Relations

Attachments

cc: Service List R.10-05-004

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type: Contact Person: Kimberly Chang
 ELC GAS Phone #: (415) 972-5472
 PLC HEAT WATER E-mail: kwcc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3314-G/4073-E**

Tier: **3**

Subject of AL: **Request for Exception under General Order 96-B Section 8.2.3 for the County of Sonoma, Department of General Services, to Retain their Self Generation Incentive Program Incentive**

Keywords (choose from CPUC listing): Self Generation

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **Upon Commission Approval**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

| | | |
|--|---|--|
| AT&T | Defense Energy Support Center | Norris & Wong Associates |
| Alcantar & Kahl LLP | Department of Water Resources | North America Power Partners |
| Ameresco | Dept of General Services | North Coast SolarResources |
| Anderson & Poole | Douglass & Liddell | Occidental Energy Marketing, Inc. |
| BART | Downey & Brand | OnGrid Solar |
| Barkovich & Yap, Inc. | Duke Energy | Praxair |
| Bartle Wells Associates | Economic Sciences Corporation | R. W. Beck & Associates |
| Bloomberg | Ellison Schneider & Harris LLP | RCS, Inc. |
| Bloomberg New Energy Finance | Foster Farms | Recurrent Energy |
| Boston Properties | G. A. Krause & Assoc. | SCD Energy Solutions |
| Braun Blasing McLaughlin, P.C. | GLJ Publications | SCE |
| Brookfield Renewable Power | GenOn Energy, Inc. | SMUD |
| CA Bldg Industry Association | Goodin, MacBride, Squeri, Schlotz & Ritchie | SPURR |
| CLECA Law Office | Green Power Institute | San Francisco Public Utilities Commission |
| CSC Energy Services | Hanna & Morton | Seattle City Light |
| California Cotton Ginners & Growers Assn | Hitachi | Sempra Utilities |
| California Energy Commission | In House Energy | Sierra Pacific Power Company |
| California League of Food Processors | International Power Technology | Silicon Valley Power |
| California Public Utilities Commission | Intestate Gas Services, Inc. | Silo Energy LLC |
| Calpine | Lawrence Berkeley National Lab | Southern California Edison Company |
| Casner, Steve | Los Angeles Dept of Water & Power | Spark Energy, L.P. |
| Cenergy Power | Luce, Forward, Hamilton & Scripps LLP | Sun Light & Power |
| Center for Biological Diversity | MAC Lighting Consulting | Sunrun Inc. |
| Chris, King | MBMC, Inc. | Sunshine Design |
| City of Palo Alto | MRW & Associates | Sutherland, Asbill & Brennan |
| City of Palo Alto Utilities | Manatt Phelps Phillips | Tecogen, Inc. |
| City of San Jose | Marin Energy Authority | Tiger Natural Gas, Inc. |
| City of Santa Rosa | McKenzie & Associates | TransCanada |
| Clean Energy Fuels | Merced Irrigation District | Turlock Irrigation District |
| Clean Power | Modesto Irrigation District | United Cogen |
| Coast Economic Consulting | Morgan Stanley | Utility Cost Management |
| Commercial Energy | Morrison & Foerster | Utility Specialists |
| Consumer Federation of California | Morrison & Foerster LLP | Verizon |
| Crossborder Energy | NLine Energy, Inc. | Wellhead Electric Company |
| Davis Wright Tremaine LLP | NRG West | Western Manufactured Housing Communities Association (WMA) |
| Day Carter Murphy | NaturEner | eMeter Corporation |