

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE 2014 ENERGY STORAGE REQUEST FOR OFFERS (RFO) COST RECOVERY APPLICATION (A.15-12-004)

On December 1, 2015, Pacific Gas and Electric Company (PG&E) filed application 15-12-004 with the California Public Utilities Commission (CPUC) requesting approval to increase rates for two contracts for new electric storage resources. The two contracts will include rate recovery for start-up costs, financing, and maintenance and operations charges through the end of 2020. The two new resources are referred to as the Old Kearney and Mendocino storage projects. The resources will be fully operational by April 2018 and will be owned and operated by PG&E.

The CPUC will review the contracts in a public process and decide what is reasonable for customers to pay in rates. If this application is approved, the request will increase PG&E's revenue requirement by \$0.936 million in 2018 and \$1.2 million in 2019.

Summary

As part of the CPUC's Energy Storage Procurement Plan, Public Utilities Code Section 2836, PG&E will secure energy storage resources to meet the state's targets. The principles of this program are to reduce greenhouse gas, optimize electricity grid usage, and integrate renewable energy resources. The amount of energy storage sought will increase every two years to allow for additional storage resources. By the end of 2024, PG&E will have a total of 580 megawatts of operational storage. If approved, these contracts will count towards PG&E's 90-megawatt target for 2014–2015.

This application requests cost recovery from all benefiting customers, including customers receiving energy through another energy service provider. The costs for the two energy storage resources will be included in utility charges for energy transmission and distribution services currently found on your energy statement. PG&E's cost recovery plan for the new storage resources would result in the collection of approximately \$1.2 million in 2019, which is the highest single year recovery for the project.

How will PG&E's application affect me?

If the CPUC approves the request, PG&E estimates that the requested increase associated with the new resources would be collected in 2018 and 2019.

The total request for recovery is less than 0.1 percent per year to rate payers. For an average bundled residential user the collection amount will be less than \$0.01 per month.

If the CPUC approves PG&E's request for an electric rate increase, the electric bill for a typical residential customer using 500 kilowatt hours per month would increase by \$0.01 or 0.01 percent from \$93.69 to \$93.70. Individual customer bills may vary. Rates would become effective April 2018.

How will PG&E's application affect non-bundled customers?

Direct Access (DA) and Community Choice Aggregation (CCA) customers receive electric transmission and distribution service, but not their energy supply, from PG&E. The application addresses the storage cost responsibility of DA customers and CCA customers that purchase electricity from another provider but transport it through PG&E's electrical distribution system. The net impact of PG&E's application on DA and CCA customers is \$0.1 million, or an average increase of 0.01 percent.

How do I find out more about PG&E's proposals?

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. For TDD/TTY (speech-hearing impaired), call **1-800-652-4712**. If you would like a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company
2014 Energy Storage RFO
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's filing and exhibits are also available for review at the CPUC's Central Files Office by appointment only. For more information contact aljcentralfilesid@cpuc.ca.gov or **415-703-2045**. PG&E's application (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov/puc.

CPUC process

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Further, evidentiary hearings may be held where parties will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are formal parties in the case can participate.

After considering all proposals and evidence presented during the hearings, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call **1-415-703-1584**, email ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>. If you would like to learn how you can participate in the proceeding, or if you have informal comments about the application, or questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at www.cpuc.ca.gov/puc and click on "Public Advisor" from the CPUC Information Menu.

You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

Mail: Public Advisor's Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

Call: **1-866-849-8390** (toll-free) or **1-415-703-2074**

TTY: **1-866-836-7825** (toll-free) or **1-415-703-5282**

If you are writing or emailing the Public Advisor's Office, please include the proceeding number (2018 Energy Storage, A.15-12-004). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.