

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 12, 2015

Advice Letter 4548-E

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

SUBJECT: Recovery of Energy Storage Program Evaluation Fund Through PG&E's Energy Resource Recovery Account (ERRA).

Dear Ms. Allen:

Advice Letter 4548-E is effective as of January 1, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Meredith Allen
Senior Director
Regulatory Relations

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

Fax: 415.973.7226

December 12, 2014

Advice 4548-E

(Pacific Gas and Electric Company ID U 39 E)

Subject: Recovery of Energy Storage Program Evaluation Fund through PG&E's Energy Resource Recovery Account (ERRA)

Purpose

Pursuant to Ordering Paragraph ("OP") 2 in Decision ("D.") 14-10-045, issued in the Investor Owned Utilities' ("IOUs") 2014 Energy Storage Procurement Application ("A.") 14-02-007, et al¹. Pacific Gas & Electric Company ("PG&E") respectfully submits this Tier 1 Advice Letter to the California Public Utilities Commission ("CPUC" or "Commission").

This advice letter proposes to conform the Energy Resource Recovery Account ("ERRA")² with the aforementioned Decision by establishing a line to record the authorized \$500,000 program evaluation fund for the Energy Storage Procurement Framework and Design Program ("Energy Storage Program") on an annual basis beginning in 2015 and continuing through 2020. The Decision requires the program evaluation fund to be jointly funded by the three IOUs on a shared basis in accordance with their proportional share of the system peak load. As an example of the allocation, which will be recalculated each year to reflect the most recent peak load, the following table shows each IOU's peak system load, the percentage of total system peak load, and the dollar amount each IOU will contribute to the program evaluation fund for 2015.

¹ PG&E's A.14-02-007, San Diego Gas & Electric's (SDG&E) A.14-02-006, and Southern California Edison Company's (SCE) A.14-02-009.

² Electric Preliminary Statement Part CP.

2015
Energy Storage Procurement Framework and Program Evaluation Fund

| IOU | System Peak Load (MW)³ | Percentage of Total System Peak Load | Contribution Amount |
|------------------|------------------------------------------|---------------------------------------------|----------------------------|
| PG&E | 19,620 ⁴ | 42.25 % | \$ 211,268 |
| SCE | 22,210 ⁵ | 47.83% | \$ 239,156 |
| SDG&E | 4,604 ⁶ | 9.92% | \$ 49,576 |
| Total | 46,434 | 100% | \$ 500,000 |

Background

D.13-10-040 OPs 1 to 4 approved the Energy Storage Program. The Energy Storage Program requires the IOUs to hold biennial solicitations for energy storage resources, the first to be issued by December 1, 2014 and the last to be issued by December 1, 2020. Further, the IOUs must submit procurement applications containing a proposal for procuring energy storage resources and receive Commission approval prior to issuing any of the Energy Storage Solicitations. D.13-10-040 OP 7 requires the IOUs to fund an annual budget of \$500,000 from all ratepayers to reimburse the Commission to allow for Commission staff to oversee evaluation and analysis of the program and hire consultants for this purpose.

PG&E submitted its 2014 energy storage procurement application pursuant to D.13-10-040. The Commission approved PG&E's application, with minor modifications, in D.14-10-045 OP 1. Concurrently, D.14-10-045 OP 2 provided further clarification to the IOUs for funding the program evaluation fund, requiring it be based on the proportional share of system peak load. The Decision requires these funds to be collected via each IOU's ERRA starting in 2015.

At the time the Commission authorizes the IOUs to collect their proportional shares of the program evaluation fund for the current year, PG&E will include the amount in rates for annual collection via the ERRA. The IOUs will update the proportional shares of the program evaluation fund based on the most current FERC Form 1 filing.

³ System Peak Load is determined by the most recent FERC Form 1 filing. For 2015, the proportion of System Peak Load will be determined by the IOU's 2013 FERC Form 1 filing. The IOUs will update the contribution amount on an annual basis commensurate with the publishing of the annual FERC Form 1.

⁴ System Peak Load from PG&E's 2013 FERC Form 1, Page 401b Line No. 35(d).

⁵ System Peak Load from SCE's 2013 FERC Form 1, Page 401b Line No. 37(d).

⁶ System Peak Load from SDG&E's 2013 FERC Form 1, Page 401b, Line No. 36(d).

Tariff Revisions

PG&E proposes to make changes to its Electric Preliminary Statement Part CP, Energy Resource Recovery Account, to create an Energy Storage Procurement Evaluation Fund line item, which will be used to record the authorized proportional share of the \$500,000 annual fund. The affected tariffs are included in Attachment 1.

The numbering sequence in the Accounting Procedures section is updated accordingly.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than January 2, 2015, which is 21 days⁷ after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

⁷ The 20-day protest period concludes on a holiday, therefore, PG&E is moving this date to the following business day.

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 1 advice letter become effective on January 1, 2015.

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 on the attached General Order 96-B service list and the service lists for A.14-02-007, et al. 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>.

/S/

Meredith Allen
Senior Director – Regulatory Relations

Attachments

cc: Service lists A.14-02-007, et al.

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Jennifer Wirowek

Phone #: (415) 973-1419

E-mail: j6ws@pge.com and PGETariffs@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) #: **4548-E**

Tier: 1

Subject of AL: **Recovery of Energy Storage Program Evaluation Fund through PG&E's Energy Resource Recovery Account (ERRA)**

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.14-10-045

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: N/A

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

N/A

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

Resolution Required? Yes No

Requested effective date: **January 1, 2015**

No. of tariff sheets: 3

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: Electric Preliminary Statement Part CP, Energy Resource Recovery Account (ERRA)

Service affected and changes proposed: See "Tariff Revisions" section in advice letter.

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 21 days¹ after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

¹ The 20-day protest period concludes on a holiday, therefore, PG&E is moving this date to the following business day.

**ATTACHMENT 1
Advice 4548-E**

| Cal P.U.C. Sheet No. | Title of Sheet | Cancelling Cal P.U.C. Sheet No. |
|---------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------|
| 34595-E | ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 8 | 33213-E |
| 34596-E | ELECTRIC TABLE OF CONTENTS Sheet 1 | 34558-E* |
| 34597-E | ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 14 | 34343-E |



ELECTRIC PRELIMINARY STATEMENT PART CP
ENERGY RESOURCE RECOVERY ACCOUNT

Sheet 8

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- ad) A debit entry equal to power purchase payments provided to eligible Net Energy Metering customers for energy produced by on-site generation in excess of consumption over a 12-month period. Power purchase payments may include additional compensation for renewable attributes where applicable.
- ae) A debit entry equal to the capacity and energy costs for QF/CHP Program contracts.
- af) A credit entry equal to the net capacity costs recorded in the QF/CHP Program and Marsh Landing subaccounts of the New System Generation Balancing Account (NSGBA).
- ag) A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA; and
- ah) A debit entry equal to the GHG procurement costs for PG&E's GHG compliance instrument transactions under the California cap-and-trade program pursuant to AB 32.
- ai) A credit entry equal to one-twelfth of the authorized forecasted direct and indirect GHG costs, deferred for future recovery in rates.
- aj) A debit entry equal to the balance in the GHG subaccount included for recovery in rates.
- ak) A debit entry equal the authorized energy storage procurement evaluation program fund amount authorized in D.14-10-045. (N)
(N)
- al) A monthly entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor; and (T)
- am) A debit entry equal to the year-end balance transferred from the Long-Term Procurement Plan Technical Assistance Memorandum Account (LTAMA). (T)

(Continued)



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Sheet 1

TABLE OF CONTENTS

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| | Preliminary Statements | 34518,32706,30376, 34597 ,34357,34358,34359,34366-E | (T) |
| | Rules | 34360,34382,34339-E | |
| | Maps, Contracts and Deviations..... | 34526-E | |
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(Continued)

Advice Letter No: 4548-E
 Decision No. 14-10-045

Issued by
Steven Malnight
 Senior Vice President
 Regulatory Affairs

Date Filed December 12, 2014
 Effective January 1, 2015
 Resolution No. _____



ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT

Sheet 14

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| Part CE | Baseline Balancing Account..... | 23410,23411-E |
| Part CF | Net Energy Metering Memorandum Account | 18831-E |
| Part CG | Utility Generation Balancing Account | 31694,32538-E |
| Part CH | Utility Retained Generation Income Tax Memorandum Account..... | 20502-E |
| Part CJ | Negative Ongoing Transition Charge Memorandum Account | 25999-E |
| Part CK | Distribution Bypass Deferral Rate Memorandum Account | 20619-E |
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| Part CQ | Modified Transition Cost Balancing Account..... | 25896,26415-E |
| Part CR | Common Area Balancing Account | 19768,19769-E |
| Part CS | Advanced Metering and Demand Response Account..... | 26376-26378-E |
| Part CZ | Distribution Revenue Adjustment Mechanism..... | 27780,28714,34340,34341-E |

(T)

(Continued)

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

| | | |
|-----------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|
| AT&T | Division of Ratepayer Advocates | Occidental Energy Marketing, Inc. |
| Albion Power Company | Douglass & Liddell | OnGrid Solar |
| Alcantar & Kahl LLP | Downey & Brand | Pacific Gas and Electric Company |
| Anderson & Poole | Ellison Schneider & Harris LLP | Praxair |
| BART | G. A. Krause & Assoc. | Regulatory & Cogeneration Service, Inc. |
| Barkovich & Yap, Inc. | GenOn Energy Inc. | SCD Energy Solutions |
| Bartle Wells Associates | GenOn Energy, Inc. | SCE |
| Braun Blaising McLaughlin, P.C. | Goodin, MacBride, Squeri, Schlotz & Ritchie | SDG&E and SoCalGas |
| CENERGY POWER | Green Power Institute | SPURR |
| California Cotton Ginners & Growers Assn | Hanna & Morton | Seattle City Light |
| California Energy Commission | In House Energy | Sempra Utilities |
| California Public Utilities Commission | International Power Technology | SoCalGas |
| California State Association of Counties | Intestate Gas Services, Inc. | Southern California Edison Company |
| Calpine | K&L Gates LLP | Spark Energy |
| Casner, Steve | Kelly Group | Sun Light & Power |
| Center for Biological Diversity | Linde | Sunshine Design |
| City of Palo Alto | Los Angeles County Integrated Waste Management Task Force | Tecogen, Inc. |
| City of San Jose | Los Angeles Dept of Water & Power | Tiger Natural Gas, Inc. |
| Clean Power | MRW & Associates | TransCanada |
| Coast Economic Consulting | Manatt Phelps Phillips | Utility Cost Management |
| Commercial Energy | Marin Energy Authority | Utility Power Solutions |
| Cool Earth Solar, Inc. | McKenna Long & Aldridge LLP | Utility Specialists |
| County of Tehama - Department of Public Works | McKenzie & Associates | Verizon |
| Crossborder Energy | Modesto Irrigation District | Water and Energy Consulting |
| Davis Wright Tremaine LLP | Morgan Stanley | Wellhead Electric Company |
| Day Carter Murphy | NLine Energy, Inc. | Western Manufactured Housing Communities Association (WMA) |
| Defense Energy Support Center | NRG Solar | YEP Energy |
| Dept of General Services | Nexant, Inc. | |