February 5, 2016

Advice Letters PG&E 3637-G/4711-E, SCE 3279-E, SDG&E 2422-E & 2794-E, SoCalGas 4867-G

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Subject: Approval of Low Carbon Fuel Standard (LCFS) Program Annual Credit and Revenue Estimates (2016)

Dear Mr. Jacobson, Mr. Hoover, Mr. Faber, and Mr. van der Leeden:
Summary

The Energy Division has determined that Advice Letters (ALs) PG&E 3637-G/4711-E, SCE 3279-E, SDG&E 2422-E & 2794-E, and SoCalGas 4867-G are in compliance with Decision (D.)14-12-083 and D.14-05-021 (LCFS Decisions) and are effective today.

Office of Ratepayer Advocates (ORA) and Indicated Shippers (IS)\(^1\) protested the ALs. Energy Division finds that the utilities reasonably responded to the protestors’ concerns, with additional clarifications below. Energy Division approves the ALs as consistent with the LCFS Decisions.

Background

On September 30 2015, PG&E, SCE, SDG&E, and SoCalGas filed the above referenced ALs pursuant to Ordering Paragraph (OP) 5 and Appendix C of D.14-12-083, which directed the utilities to submit Annual LCFS Credit and Revenue Estimates to Energy Division. These include:
   a. An estimate of the number of credits the utility expects to generate for the following year
   b. An estimate of the amount of revenue the utility expects to generate from the sale of those credits
   c. An estimate of the balance that will be in the utility’s balancing account on January 1 of the following year
   d. An estimate of the cost of administering the LCFS credit program in the following year, including customer outreach expenses
   e. An estimate of the amount of revenue that will be distributed to customers in the following year
   f. An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver

On January 1, 2016, two modifications to State law regarding low carbon fuel use became effective: (1) the Air Resources Board’s rulemaking, which adopted new regulations for the LCFS\(^2\); and (2) Senate Bill 350 (2015), which modifies various Public Utilities Code sections.

Protests

ORA and Indicated Shippers filed protests on October 20, 2015. ORA filed three substantially similar protests to the electric investor owned utilities’ (IOUs)\(^3\) ALs regarding their LCFS forecasts and raised three objections. IS protested the redaction of information in SoCalGas’ AL. SDG&E’s natural gas AL was not protested. The following issues were raised in the protests:
   1. Potential non-compliance with ARB’s and CPUC policy requirements

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\(^1\) According to IS’ counsel, IS represents companies that have a mix of California end-use operations, natural gas production, and gas marketing interests, including BP, ConocoPhillips, Chevron, Phillips 66, Tesoro, and California Resources Company.

\(^2\) http://www.arb.ca.gov/regact/2015/lcfs2015/lcfs2015.htm

\(^3\) The IOUs are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas) and San Diego Gas and Electric Company (SDG&E).
2. Ensuring that the Program meets ARB’s and CPUC policy requirements
3. Consideration of alternatives to address D.14-12-083’s policy objectives
4. Requests for the disclosure of program data claimed to be confidential

Each of the utilities replied to their respective Protest on October 27, 2015.

Discussion

Energy Division discusses the protests and replies below.

1. Potential non-compliance with ARB’s and CPUC policy requirements

ORA identifies that the variability in credit prices, program participation rates, and other variables influence LCFS revenues. In turn, ORA raises concerns that the IOUs’ plans to implement the program via the upfront rebate and annual credit mechanisms could result in inadequate incentive levels, unequal distribution among vehicle customers, and grid-averse charging behaviors.

The reliefs requested in the ALs are consistent with the LCFS Decisions and comport with the direction provided therein on the design of the LCFS return mechanisms. The LCFS Decisions allow the IOUs flexibility in the early stages of their participation the LCFS market and program operations. The Decisions avoid onerous restrictions on sales, require answers about new program logistics, and provide program objectives for the IOUs to target. Specifically, D.14-12-083 concludes that “annual credits and upfront rebates are the best options for achieving the Commission’s objectives” and is silent on an exact incentive amount to allow the IOUs to “appropriately tailor…programs to the needs of PEV drivers in their individual territories.” In addition, the IOUs must justify the return amount among the several program constraints and are expressly permitted to distribute revenue via the two mechanisms as revenue fluctuates. Therefore, ORA’s protests are denied.

2. Ensuring that the Program meets ARB’s and CPUC policy requirements

In addition to recommending the Programs meet policy requirements, ORA recommends that the IOUs coordinate the design of a statewide education program on the benefits of EVs.

As stated above, Energy Division rejects the protests as unfounded because the IOUs’ Implementation Plans are consistent with the LCFS Decisions. Energy Division reiterates the goals of D.14-12-083 here. The utilities should collaborate with and leverage the experience of industry stakeholders to maximize customer awareness by undertaking outreach activities aligned with D.11-

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4 D.14-05-021, Conclusion of Law 4, at p. 22.
5 D.14-12-083, Section 4.6
6 Id., Section 4.2
7 Id., at p. 24.
8 Id., Conclusion of Law 5 at p. 50.
9 Id., Section 4.4 and LCFS Implementation Plan Advice Letters
07-029, and other Commission PEV orders\textsuperscript{10} in a manner that is competitively neutral and recognizes the State origin of the credits. In addition, this program should be consistent with P.U. Code 701.1 as amended by Senate Bill 350. Energy Division highlights and further recommends that the utilities explore the potential to manage limited LCFS revenue by coordinating across individual programs and with existing PEV education efforts.

3. Consideration of alternatives to address D.14-12-083’s policy objectives

ORA recommends, pursuant to Energy Division’s biennial review of the IOUs’ implementation of the LCFS Program\textsuperscript{11}, that a study review 1) the effectiveness of the return mechanisms on customer participation rates; 2) the effect on Alternative Fuel Vehicle adoption; 3) the effect on charging behavior; and 4) the effect of the IOUs’ marketing, education, and outreach activities. Furthermore, ORA requests that the Commission invite alternatives to the adopted mechanisms including incentives for “make-ready” infrastructure or Time-Of-Use (TOU) rates for off-peak charging.

Energy Division does not foreclose these elements from the review that it was previously authorized to complete in D.14-12-083. However, at this time Energy Division will not determine the final scope of the study given that the program has not yet launched.

Energy Division denies ORA’s recommendations for alternative return mechanisms as unfounded pursuant to GO 96-B Rule 7.4.2, which requires that protests to the utilities’ sought reliefs identify violations of Commission orders. Stated earlier, the utilities’ proposals were consistent with the upfront rebate and annual credit mechanisms permitted for PEVs in D.14-12-083. Specifically, the Commission found “make-ready” infrastructure subsidies to be ineligible\textsuperscript{12} and the modification of existing TOU rates is not germane to an AL.

4. Requests for the disclosure of program data claimed by the IOUs to be confidential

In its protest, IS states that SoCalGas inadequately “supports its conclusion that all of the data are confidential” and requests the release of information related to the cost of the program and the amount of revenue that will be distributed to customers because their release would not disclose market sensitive information.

In its reply, SoCalGas states that its responses were appropriately confidential for the following reasons: 1) the other IOUs similarly treat the Balancing Account balance as confidential information and 2) given the early stages of the IOUs’ participation in the LCFS market, any information released could disclose SoCalGas’ expectations for credit sales.

Energy Division agrees that the IOUs appropriately treated the Balancing Account as confidential, given that there are other public and proprietary information that can be accessed by market participants, such as the number of alternative fuel vehicles within a service territory, volume of fuel sold, and formulas published in the LCFS Regulation.\textsuperscript{13} IS represents five “Parties Reporting

\textsuperscript{10} Energy Division notes the utilities’ PEV infrastructure applications (SDG&E A.14-04-014 and D.14-01-045, SCE A.14-10-014 and D.14-01-023, and PG&E A.15-02-009), which as pending or approved, budget funds for program outreach.

\textsuperscript{11} D.14-12-083, OP 6, at p. 54.

\textsuperscript{12} Id, Finding of Fact 21, at p. 48.

\textsuperscript{13} http://www.arb.ca.gov/regact/2015/lcfs2015/lcfsfinalregorder.pdf
Transactions” in the LCFS Reporting Tool, and are thus market participants that purchase Low Carbon Fuel credits to comply with ARB’s Carbon Intensity reduction schedules.\textsuperscript{14} Releasing Balancing Account data would be inconsistent with the direction of D.14-05-021, which requires the utilities 1) to use the credits to minimize the social cost of alternative fuels and transportation and 2) to directly benefit alternative fuel customers with the credit sales’ revenue.\textsuperscript{15} To maximize ratepayer value from the LCFS, market sensitive forecast data, including the Balancing Account revenue, must receive confidential treatment to ensure that the IOUs’ positions, as credit sellers, are not disclosed to credit buyers.\textsuperscript{16} Further, the other IOUs included administrative costs and SoCalGas supplemented their AL with such data on January 28, 2016. Therefore, IS’ protest is rejected.

\section*{Disposition}

Energy Division reviewed the protests and replies as discussed above. The utilities’ proposed Annual Low Carbon Fuel Standard Credit and Revenue Estimates (Advice Letters PG&E 3637-G/4711-E, SCE 3279-E SDG&E 2422-E & 2794-E, SoCalGas 4867-G), and their response to the protests of ORA and IS are reasonable. Energy Division approves the Advice Letters and encourages the utilities to implement the programs to benefit customers expeditiously.

Sincerely,

Edward Randolph  
Director, Energy Division  
California Public Utilities Commission

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ek@a-klaw.com  
Ayat.Osman@cpuc.ca.gov  
EDTariffUnit@cpuc.ca.gov  
Noel.Crisostomo@cpuc.ca.gov  
Melicia.Charles@cpuc.ca.gov  
Judith.Ikle@cpuc.ca.gov  
R.11-03-012 Service List

\textsuperscript{14} http://www.arb.ca.gov/fuels/lcfs/regulatedpartiesreporting20150508.pdf  
\textsuperscript{15} D.14-05-021, at p. 11-12, footnote 11.  
\textsuperscript{16} Id, Conclusion of Law 4 at p. 22.
September 30, 2015

Advice 3637-G/4711-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Pacific Gas and Electric Company’s 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Purpose


The requirement in D.14-12-083 states that the utilities shall submit the following:

Tier 2 Advice Letter filed no later than September 30 of each year beginning in 2015 containing information about LCFS credits and revenues for the following calendar year:

a. An estimate of the number of credits the utility expects to generate for the following year;
b. An estimate of the amount of revenue the utility expects to generate from the sale of those credits;
c. An estimate of the balance that will be in the utility’s balancing account on January 1 of the following year;
d. An estimate of the cost of administering the LCFS credit program in the following year, including customer outreach expenses;
e. An estimate of the amount of revenue that will be distributed to customers in the following year; and
f. An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.

In addition, PG&E provides an update of the 2015 LCFS credit sales and revenue return figures provided in its March 18, 2015 Advice Letter (AL) 3575-G/4604-E
PG&E also identifies its chosen method for delivering rebates to eligible electric customers.  

**Background**

Under the California Air Resources Board’s (ARB) current LCFS regulation, providers of alternative fuels with carbon intensities that meet the LCFS program targets are eligible to voluntarily opt-in to the LCFS program to generate LCFS credits. Electric distribution utilities that choose to opt-in to the LCFS program act as proxy regulated entities on behalf of their customers and receive LCFS credits for electricity supplied through residential electric vehicle (EV) charging equipment. Natural gas utilities that choose to opt-in to the LCFS program and own fueling stations at which fossil compressed natural gas (CNG) is dispensed to vehicles for transportation use will receive LCFS credits for fueling by public customers and their own vehicle fleets.

On March 24, 2011, the California Public Utilities Commission (Commission or CPUC) opened Rulemaking (R.) 11-03-012 to address various issues related to greenhouse gas (GHG) emissions. Track 2 of R.11-03-012 addresses the use of revenues that electric and natural gas utilities (collectively, “IOUs”) may receive from the sale of LCFS credits pursuant to ARB’s LCFS regulation.

On May 19, 2014, the Commission issued D.14-05-021, which authorizes the IOUs to sell their LCFS credits and establishes the criteria and reporting requirements for the sale of these credits, pursuant to Public Utilities Code Section 853(b). Additionally, the Commission directed the utilities that have opted-in to the LCFS program and wish to sell LCFS credits to file a Tier 2 AL to propose their upfront standards and plans to sell their LCFS credits, as well as the policies to return the LCFS revenue to customers. Upon approval of the AL, the IOUs may begin selling LCFS credits and recover associated costs from the sales revenue.

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1 Implementation Plan, p.6, fn 8.
2 Implementation Plan, pp.10-11.
3 17 CCR § 95480 et seq.
4 17 CCR § 95482.
5 17 CCR § 95484(a)(6)(A), p. 35 (“For transportation fuel supplied through electric vehicle (EV) charging equipment in a single or multi-family residence, the Electrical Distribution utility is eligible to opt-in as the regulated party in their service territory.”)
6 17 CCR § 95481(a)(23),p. 12 (“‘Electrical Distribution Utility’ means an entity that owns or operates an electrical distribution system.”)
7 D.14-12-083, p.6.
8 Id.
9 D.14-05-021, Ordering Paragraph 1.
10 D.14-05-021, Ordering Paragraphs 1, 6.
On December 18, 2014, the Commission issued D.14-12-083, which approves the IOUs’ use of several different methods to return revenue from the sale of LCFS credits. For electric utilities, the Commission authorized use of either a one-time or annual rebate, or a combination of both. For natural gas utilities, the Commission authorized use of a reduction in the fuel price at utility-owned natural gas fueling stations or a credit applied to the customer’s utility bill. In D.14-12-083, the Commission modified the requirements set forth in D.14-05-021 and required the IOUs to submit a Tier 2 AL containing an Implementation Plan describing the IOUs’ plans for the sale of LCFS credits and return of revenue in accordance with the AL filing requirement in Appendix A of D.14-12-083. The Tier 2 AL must be approved prior to commencement of the sale of LCFS Credits and the recovery of associated costs from the sales revenue.

On March 18, 2015, PG&E filed AL 3575-G/4604-E containing its Implementation Plan. Pursuant to the requirements in D.14-12-083, the Implementation Plan outlined PG&E’s proposed requirements for LCFS credit sales, provided a forecast of 2015 revenue return activity, and described the proposed process for identifying revenue recipients, calculating rebate amounts, and processing rebates. The Implementation Plan also created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of consigned LCFS credits, any approved program costs, and the LCFS revenues returned to customers.

On August 7, 2015, the Commission approved PG&E’s AL 3575-G/4604-E, effective immediately.

Rebate Method

At the time PG&E filed its Implementation Plan, PG&E had not finalized the method that it would use to deliver rebates to Electric Recipients. After further consideration, PG&E has determined that it will deliver rebates to Electric Recipients by check, consistent with Commission decision.

Annual Forecast

PG&E’s annual forecast of LCFS program and financial data for 2016 and updated estimates for 2015 are provided in CONFIDENTIAL Attachment A of this filing.

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11 D.14-12-083, p.32.
12 D.14-12-083, Ordering Paragraphs 2, 3.
13 D.14-05-021, Ordering Paragraphs 1, 6.
14 Implementation Plan, pp.10-11.
15 D.14-12-083, p.35.
Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 20, 2015, which is 20 days 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:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
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

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).
Confidentiality

In accordance with General Orders 66-C and 96-B, California Public Utilities Code Section 454.5(g), and California Government Code Section 6254(k), which protect the confidentiality of market sensitive information, PG&E requests confidential treatment of the redacted information in this AL.

The confidential material in this advice filing will be made available to non-market participants in accordance with and upon execution of PG&E’s Proposed Non-Disclosure Certificate Agreement. Parties wishing to obtain access to the confidential material of this advice filing may contact Christopher J. Warner in PG&E’s Law Department at cjw5@pge.com to obtain a non-disclosure agreement.

A Confidentiality Declaration describing the information in this advice filing for which PG&E requests confidential treatment, the length of time it should remain confidential, and the justification for protecting the confidentiality of the information is provided in Public Attachment B. In compliance with General Order 96-B, a Proposed Protective Order with Non-Disclosure Certificate agreement is attached as Attachment C.

Tier Designation

Pursuant to D.14-12-083, this advice filing is submitted with a Tier 2 designation.

Effective Date

PG&E requests that this advice filing become effective on regular notice, October 30, 2015, which is 30 calendar days after the date of filing.

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.11-03-012. 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/
Erik Jacobson  
Director, Regulatory Relations

Attachments

Attachment A: Pacific Gas and Electric Company’s 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Attachment B: Declaration of Uday Mathur Pursuant to General Order 96-B Seeking Confidential Treatment for Certain Data and Information Contained in 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Attachment C: Proposed Protective Order and Nondisclosure Certificate

cc: Service List R.11-03-012
ATTACHMENT A

PACIFIC GAS AND ELECTRIC COMPANY’S 2016 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE
PACIFIC GAS AND ELECTRIC COMPANY’S 2016 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE

I. INTRODUCTION

Pursuant to Ordering Paragraph (OP) 5 and Appendix C of Decision (D.) 14-12-083, Pacific Gas and Electric Company (PG&E) presents the following annual estimate for the calendar year 2016 for the sale of Low Carbon Fuel Standard (LCFS) credits and return of associated revenue to eligible electric and natural gas customers.

The estimated values presented below rely on a number of input variables, each of which can potentially have a large range of possible values and can significantly influence the resulting estimates. These input variables include electric vehicle adoption within PG&E’s service territory, natural gas fuel consumption, the price of LCFS credits, program administrative costs, and the number of electric vehicle rebate applicants, among others. For the purpose of this estimate, PG&E provides figures based on reasonable assumptions of values for each of the input variables. The actual values of the input variables, and therefore, the resulting revenues and rebate amounts, could differ significantly from the figures provided in this 2016 Annual Estimate.

II. 2016 ELECTRIC ESTIMATE

A. Credit Estimate. An estimate of the number of credits the utility expects to generate for the following year.

As described in its March 18, 2015 Advice Letter (AL) 3575-G/4604-E containing plans for the sale of LCFS credits and return of revenue to customers (“Implementation Plan”), PG&E receives LCFS credits from the California Air Resources Board (ARB) for the use of electricity as a transportation fuel (“Electric Credits”).

PG&E estimates it will receive Electric Credits from ARB during calendar year 2016, based on assumptions about the number of electric vehicles in PG&E’s territory, ARB’s credit estimation methodology, and the inputs to that methodology.

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1 Implementation Plan, pp.11-12. PG&E receives Electric Credits (1) quarterly for the immediately preceding quarter for separately metered residential electric vehicle charging, and (2) annually for the previous calendar year for estimated, non-separately metered residential electric vehicle charging.

2 Since credits are received in later periods than the periods in which the fuel is dispensed, this figure reflects the number of credits that PG&E estimates it will actually receive from ARB in 2016 and not the number of credits that would result from the total electric fuel PG&E dispenses in 2016.
B. Revenue Estimate. An estimate of the amount of revenue the utility expects to generate from the sale of those credits.

For the purpose of this estimate, in 2016 PG&E assumes that the current spot price of LCFS credits is approximately $70 per credit. At this price, the market value of

Additionally, PG&E currently

. At the current spot price of $70 per credit, the market value of

C. Balancing Account Estimate as of January 1, 2016. An estimate of the balance that will be in the utility's balancing account on January 1 of the following year.

PG&E’s March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.5

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E’s Greenhouse Gas Revenue Balancing Account (GHGRBA) on January 1, 2016 is calculated as the revenue from the sale of Electric Credits in 2015, less administrative costs in 2015, less any contingency amount, less any revenue distributed to customers in 2015. At this time,

3 See Argus Air Daily (Sept. 25, 2015).
4 For the purpose of the estimates provided in this filing, broker commission amounts are considered to be de minimis relative to the price of LCFS credits. As such, PG&E’s expectation of revenues from the sale of LCFS credits as presented here is net of broker commissions.
5 AL 3575-G/4604-E, Appendices B, C.
D. Administrative Cost Estimate. An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.

The costs of administering the LCFS credit program include the following categories – marketing and customer outreach, development of supporting IT systems, and ongoing labor for program management and credit sales, processing rebates, and call center operations. Of these activities, program management and credit sales are activities that are shared with PG&E’s LCFS program for natural gas. PG&E plans to allocate the administrative cost of shared activities equally between the LCFS programs for electricity and natural gas. Other cost categories are calculated separately for the LCFS programs for electricity and natural gas. A brief description of each category of administrative cost is provided:

- **Marketing.** Outreach to current and potential electric vehicle owners to create awareness of PG&E’s LCFS rebate program for electricity through the use of direct and indirect (third-party) channels, utilizing a variety of tactics including direct mail, email, PG&E’s website, and earned and paid digital media.

- **IT Systems.** Establishment of IT systems that support the intake of customer rebate applications online and the verification and processing of those applications.

- **Program Management and Credit Sales.** Personnel to manage PG&E’s LCFS program, including the implementation of Electric Credits and Gas Credits sales and revenue return.

- **Processing Rebate Applications.** Personnel to verify customer-provided information in rebate applications and process those rebate applications.

- **Call Center.** Personnel to address questions and inquiries from customers contacting PG&E call centers regarding the LCFS rebate program or application process.

For the purpose of this estimate, PG&E provides the following administrative costs for the electric portion of the LCFS program:
Table 1 – 2016 Electric Administrative Costs

<table>
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<tr>
<th>Item</th>
<th>Fixed Cost</th>
<th>Variable Cost</th>
<th>Total Cost</th>
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<td>Marketing and Customer Outreach</td>
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<td>IT Systems</td>
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<td>Program Management and Credit Sales</td>
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<td>Call Center</td>
<td>$33,022</td>
<td>$21,421</td>
<td>$54,443</td>
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<td><strong>TOTALS</strong></td>
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<td><strong>$362,300</strong></td>
<td><strong>$1,921,526</strong></td>
</tr>
</tbody>
</table>

E. Revenue to be Distributed to Customers. *An estimate of the amount of revenue that will be distributed to customers in the following year*

In its Implementation Plan, PG&E described its proposed method for calculating the amount of revenue that will be distributed to customers:

PG&E will calculate in advance the rebate amount to be distributed in a given period of the program. The total Electric Revenue amount for a given period would be forecasted as approximately (a) the expected revenue available from the sale of Electric Credits in that period less (b) the expected administrative costs in that period, less (c) any contingency amount for the period. The resulting value would then be divided by the expected number of qualified applicants in that period to determine the rebate amount offered to Electric Eligible Customers. If there are revenues remaining after all rebates are paid during a period, including any unused contingency amounts, the remaining revenue amount would be carried over into the revenue pool for the subsequent period.6

For the purpose of this estimate, in 2016 PG&E assumes that

As discussed above, PG&E estimates and incurring approximately $1.9 million in administrative costs for the LCFS program for electricity in 2016. For the purpose of this estimate, PG&E does not include any

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contingency amount in 2016. Therefore, using the current price of $70 per credit, PG&E estimates that

F. Estimate of Number of Revenue Recipients. An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.

For the purpose of this estimate, PG&E assumes that owners of 40% of the vehicles eligible for the rebate in 2016 will apply for the rebate – approximately 49,000 rebate applications. This estimate is based on PG&E’s experience with other customer programs and data regarding existing electric vehicle rebate programs.

Dividing the estimated amount of revenue available to be distributed to electric customers (described above) by the estimated number of rebate applicants results in a calculated rebate of [redacted] to each applicant. PG&E reserves the right to determine an actual rebate amount that is different from this calculated amount based on program specific considerations at the time the rebate program is launched.

III. 2016 NATURAL GAS ESTIMATE

A. Credit Estimate. An estimate of the number of credits the utility expects to generate for the following year.

As described in its Implementation Plan, PG&E receives LCFS credits from ARB on a quarterly basis for metered compressed natural gas (CNG) vehicle fueling at PG&E’s CNG fueling stations (“Gas Credits”).

The average number of Gas Credits PG&E has received over the past four quarters (Q3 2014 through Q2 2015) is [redacted].

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[redacted] Implementation Plan, pp.21-22. PG&E receives Gas Credits quarterly for the immediately preceding quarter for metered CNG fuel dispensed to public and PG&E fleet fueling customers.
For the purpose of this estimate, PG&E

**B. Revenue Estimate.** *An estimate of the amount of revenue the utility expects to generate from the sale of those credits.*

In 2016, PG&E plans [REDACTED]. The current spot price of LCFS credits is approximately $70 per credit. At this price, the market value of [REDACTED]. Additionally, PG&E currently [REDACTED]. At the current spot price of $70 per credit, the market value of [REDACTED].

**C. Balancing Account Estimate as of January 1, 2016.** *An estimate of the balance that will be in the utility’s balancing account on January 1 of the following year.*

PG&E’s March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E’s GPBA on January 1, 2016 is calculated as the revenue from the sale of Gas Credits in 2015, less administrative costs in 2015, less any Gas Revenue distributed to customers in 2015. At this time, [REDACTED].

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8 Under ARB’s newly adopted LCFS regulation taking effect on January 1, 2016, the carbon intensity for CNG fuel will increase and the targets for compliance will become more stringent as compared to current levels. PG&E estimates that the combination of these factors will result in a reduction of approximately 36% in the number of credits generated in 2016 for a given volume of CNG fuel as compared to 2015.

9 Since credits are received in later periods than the periods in which the fuel is dispensed, this figure reflects the number of credits that PG&E estimates it will actually receive from ARB in 2016, and not the number of credits that would result from the total CNG fuel PG&E dispenses in 2016.

10 See Argus Air Daily (Sept. 25, 2015).

11 For the purpose of the estimates provided in this filing, broker commission amounts are considered to be de minimis relative to the price of LCFS credits. As such, PG&E’s expectation of revenues from the sale of LCFS credits as presented here is net of broker commissions.
D. Administrative Cost Estimate. An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.

The costs of administering the LCFS credit program include the following categories – marketing and customer outreach, development of supporting IT systems, and ongoing labor for program management and credit sales. Of these activities, program management and credit sales are activities that are shared with PG&E’s LCFS program for electricity. PG&E plans to allocate the administrative cost of shared activities equally between the LCFS programs for electricity and natural gas. Other cost categories are calculated separately for the LCFS programs for electricity and natural gas. A brief description of each activity is provided:

- **Marketing.** Outreach to PG&E’s current CNG fuel account holders, via direct mail and PG&E’s website, to inform them about PG&E’s LCFS rebate program for natural gas.

- **IT Systems.** Establishment of IT systems that support the calculation of individual customers’ gas rebate amounts and place those rebates on customers’ bills.

- **Program Management and Credit Sales.** Personnel to manage PG&E’s LCFS program, including the implementation of Electric Credits and Gas Credit sales and revenue return.

For the purpose of this estimate, PG&E provides the following administrative costs for the natural gas portion of the LCFS program:

<table>
<thead>
<tr>
<th>Table 2 – 2016 Natural Gas Administrative Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
</tr>
<tr>
<td>Marketing and Customer Outreach</td>
</tr>
<tr>
<td>IT Systems</td>
</tr>
<tr>
<td>Program Management</td>
</tr>
</tbody>
</table>

12 Since customers do not need to apply for the natural gas greenhouse gas (GHG) rebate, call center costs are expected to be de minimis for the natural gas GHG revenue return program.
and Credit Sales

| TOTALS | $328,547 | - | $328,547 |

E. **Revenue to be Distributed to Customers.** *An estimate of the amount of revenue that will be distributed to customers in the following year.*

In its Implementation Plan, PG&E described its proposed method for calculating the amount of revenue that will be distributed to customers:

To calculate the amount of revenue to be distributed to each Gas Recipient, PG&E plans to take the total amount of Gas Revenue determined to be distributed for a given Rebate Period and divide it pro rata among each Gas Recipient based on each customer’s total CNG fuel consumption during the Rebate Period.13

For the purpose of this estimate, PG&E assumes that for the purpose of providing a rebate in Q3 2016. Using the current spot price of $70 per credit, PG&E estimates . Subtracting the administrative costs above, PG&E estimates that

F. **Estimate of Number of Revenue Recipients.** *An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.*

PG&E will distribute rebates to each of its currently active CNG fueling accounts.

Historically, PG&E’s public fueling accounts have consumed (in the aggregate) approximately 88% of the CNG fuel PG&E has reported for LCFS credits since January 1, 2011, and PG&E fleet fueling accounts have consumed the remaining approximately 12%. Applying these percentages to the 2016 available rebate revenue suggests that under the assumptions described above. As described in PG&E's Implementation Plan, the rebate amount for

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13 Implementation Plan, p.23.
each CNG fueling account will be determined based on its pro rata share of consumption of the total fuel amount.\(^{14}\)

### IV. UPDATES TO IMPLEMENTATION PLAN

#### A. Updated 2015 Figures

PG&E’s Implementation Plan stated that PG&E planned to provide an updated forecast of its 2015 LCFS credit sales and revenue return program in the September 30, 2015 annual estimate.\(^ {15}\) PG&E provides the following updated figures for the LCFS programs for electricity and natural gas for electric 2015:

**Table 3 – Updated 2015 Forecast of Electric LCFS Credit Sales and Revenue Return Program**

<table>
<thead>
<tr>
<th>Electric Revenue Return</th>
<th>Updated 2015 Estimate</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account balance at beginning of year</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Revenue from LCFS credit sales*</td>
<td>[Redacted]</td>
<td>Incorporates PG&amp;E’s confidential assumptions on the number of credits sold and credit prices</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>$0</td>
<td>PG&amp;E administrative costs subsequent to CPUC approval of PG&amp;E’s Implementation Plan</td>
</tr>
<tr>
<td>Amount of revenue disbursed via rebates</td>
<td>$0</td>
<td>No rebates to be distributed to customers in 2015</td>
</tr>
<tr>
<td>Net revenue at end of year carried over to next year (2016)</td>
<td>[Redacted]</td>
<td>Amount carried over to 2016</td>
</tr>
</tbody>
</table>

\(^{14}\) Implementation Plan, p.23.  
\(^{15}\) Implementation Plan, p.6, fn 8
Table 4 – Updated 2015 Forecast of Natural Gas LCFS Credit Sales and Revenue Return Program

<table>
<thead>
<tr>
<th>Gas Revenue Return</th>
<th>Updated 2015 Estimate</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account balance at beginning of year</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Revenue from LCFS credit sales*</td>
<td></td>
<td>Incorporates PG&amp;E’s confidential assumptions on the number of credits sold and credit prices</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>$0</td>
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<tr>
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<td></td>
<td>Amount carried over to 2016</td>
</tr>
</tbody>
</table>

Notes:
* For the purpose of the estimates provided in this filing, broker commission amounts are considered to be de minimis relative to the price of LCFS credits. As such, PG&E’s expectation of revenues from the sale of LCFS credits as presented here is net of broker commissions.
** At this time, PG&E anticipates that...
ATTACHMENT B

DECLARATION OF UDAY MATHUR PURSUANT TO GENERAL ORDER 96-B SEEKING CONFIDENTIAL TREATMENT FOR CERTAIN DATA AND INFORMATION CONTAINED IN 2016 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE
I, Uday Mathur, declare:

1. I am a Principal in the Electrification and Alternative Fuels department within the Customer Care organization at Pacific Gas and Electric Company (PG&E). In this position, my responsibilities include managing PG&E’s Low Carbon Fuel Standard (LCFS) sales and revenue return program. This declaration is based on my personal knowledge of PG&E’s practices and my understanding of the Commission’s decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with the General Order 66-C, Public Utilities Code Section 454.5(g), Government Code Section 6254(k), Decisions 06-06-066, 08-04-023, and relevant Commission rules and law, I make this declaration seeking confidential treatment for certain data and information contained in PG&E’s 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate.

3. The information proposed to be protected from disclosure is market-sensitive because it contains, and can be used to derive, PG&E’s current and forecast volume of LCFS credits and PG&E’s sales strategy for those credits, including timing of sales. If PG&E were required to disclose this market sensitive information to participants in the LCFS market, such release could put PG&E at a competitive disadvantage with regard to other market participants and could detrimentally impact PG&E customers.

4. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is
seeking to protect constitutes confidential market sensitive data and information covered by General Order 66-C, Public Utilities Code Section 454.5(g), and other rules and law. The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text in the attached matrix that is pertinent to my declaration.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief. Executed on September 30, 2015 at San Francisco, California.

/s/
Uday Mathur
Principal, Electrification and Alternative Fuels
<table>
<thead>
<tr>
<th>Redaction Reference</th>
<th>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Order That Data Corresponds To</th>
<th>Justification for Confidential Treatment</th>
<th>Length of Time Data To Be Kept Confidential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document: 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate</td>
<td></td>
<td>Information concerns Low Carbon Fuel Standard sales strategy and/or activities. Release of this market sensitive information could put PG&amp;E at a competitive disadvantage with regard to other market participants and could detrimentally impact PG&amp;E customers.</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Redactions in Advice Letter 3637-G/4711-E, Attachment A: PG&amp;E’s 2016 Annual Estimate</td>
<td>General Order 66-C, Public Utilities Code Section 454.5(g), Other Rules and Law</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PROPOSED PROTECTIVE ORDER

1. **Scope.** This Protective Order shall govern access to and the use of Protected Materials, produced by, or on behalf of, any Disclosing Party (as defined in Paragraph 2 below) in this proceeding.

2. **Definitions**

In addition to the terms defined and capitalized in other sections of this Protective Order, the following terms are defined for the purposes of this Protective Order:

A. For purposes of this Protective Order, the term “Protected Materials” means: (i) trade secret, market sensitive, or other confidential and/or proprietary information as determined and identified by the Disclosing Party in Advice Letter (AL) 3637-G/4711-E in accordance with the provisions of Decision (“D.”) 06-06-066 and subsequent decisions, General Order 66-C, Public Utilities Code section 454.5(g), or any other right of confidentiality provided by law; or (ii) any other materials that are made subject to this Protective Order by the Assigned Administrative Law Judge (“Assigned ALJ”), Law and Motion Administrative Law Judge (“Law and Motion ALJ”), Assigned Commissioner, the California Public Utilities Commission (“Commission”), or any court or other body having appropriate authority. Protected Materials also include memoranda, handwritten notes, spreadsheets, computer files and reports, and any other form of information (including information in electronic form) that copies, discloses,
incorporates, includes or compiles other Protected Materials or from which such materials may be derived (except that any derivative materials must be separately shown to be confidential). Protected Materials do not include: (i) any information or document contained in the public files of the Commission or any other state or federal agency, or in any state or federal court; or (ii) any information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order or any other nondisclosure agreement or protective order.

B. The term “redacted” refers to situations in which Protected Material in a document, whether the document is in paper or electronic form, have been covered, blocked out, or removed.

C. The term “Disclosing Party” means a party who initially discloses any specified Protected Material in this proceeding.

D. The term “Requesting Party” means any party that is requesting receipt of Protected Material from a Disclosing Party.

E. The term “Party” refers to the Requesting Party or the Disclosing Party and the term “Parties” refers to both the Requesting Party and the Disclosing Party.

F. The term “Market Participant” refers to a Requesting Party that is:

1) A person or entity, or an employee of an entity, that engages in the wholesale purchase, sale or marketing of energy or capacity, or the bidding on or purchasing of power plants, or bidding on utility procurement solicitations, or consulting on such matters, subject to the limitations in 3) below.

2) A trade association or similar organization, or an employee of such organization, a) whose primary focus in proceedings at the Commission is to advocate for persons/entities that purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or
b) a majority of whose members purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations; or

c) formed for the purpose of obtaining Protected Materials; or

d) controlled or primarily funded by a person or entity whose primary purpose is to purchase, sell or market energy or capacity at wholesale; bid on, own, or purchase power plants; or bid on utility procurement solicitations.

3) A person or entity that meets the criteria of 1) above is not a Market Participant for purpose of access to Protected Materials unless the person/entity seeking access to Protected Materials has the potential to materially affect the price paid or received for electricity if in possession of such information. An entity will be considered not to have such potential if:

a) the person or entity’s participation in the California electricity market is *de minimis* in nature. In the resource adequacy proceeding (R.05-12-013) it was determined in D.06-06-064 § 3.3.2 that the resource adequacy requirement should be rounded to the nearest megawatt (MW), and load serving entities (LSEs) with local resource adequacy requirements less than 1 MW are not required to make a showing. Therefore, a *de minimis* amount of energy would be less than 1 MW of capacity per year, and/or an equivalent of energy; and/or

b) the person or entity has no ability to dictate the price of electricity it purchases or sells because such price is set by a process over which the person or entity has no control, *i.e.*, where the prices for power put to the grid are completely overseen by the Commission, such as subject to a standard offer contract or tariff price. A person or entity that currently has no ability to dictate the price of electricity it purchases or sells under this section, but that will have such ability within one year because its contract is expiring or other circumstances are changing, does not meet this exception; and/or

c) the person or entity is a cogenerator that consumes all the power it generates in its own industrial and commercial processes, if it can establish a legitimate need for Protected Materials.
G. The term “Non-Market Participant” refers to a Requesting Party that does not meet the definition of Market Participant. The California Independent System Operator is deemed a Non-Market Participant for purposes of this Protective Order.

H. “Reviewing Representatives” are limited to person(s) designated in accordance with Paragraph 5 who meet the following criteria:

1) Reviewing Representatives may not currently be engaged in: (a) a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas (or the direct supervision of any employee(s) engagement in such a transaction); (b) the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction); or (c) knowingly providing electricity or gas marketing consulting or advisory services to others in connection with a transaction for the purchase, sale, or marketing at wholesale of electrical energy or capacity or natural gas or the bidding on or purchasing of power plants (or the direct supervision of any employee(s) engagement in such a transaction or consulting).

2) Reviewing Representatives may not be an employee of a Market Participant. If the Market Participant or Non-Market Participant chooses to retain outside attorneys, consultants, or experts in the same law firm or consulting firm to provide advice in connection with marketing activities, then the attorney, consultant, or expert serving as a Reviewing Representative must be separated by an ethics wall consistent with the ethics wall requirements in D.11-07-028, as that decision may be subsequently modified or changed by the Commission, from those in the firm who are involved in wholesale commercial dealings.

3) Reviewing Representatives shall use Protected Materials only for the purpose of participating in the Commission proceeding in which they received the information.

4) Reviewing Representatives are permitted to participate in regulatory proceedings on behalf of Market Participants and Non-Market Participants.

5) All Reviewing Representatives are required to execute the Nondisclosure Certificate attached to this Protective Order and are bound by the terms of this Protective Order.
I. The term “Authorized Reviewers” refers to: (1) a Requesting Party that is a Non-Market Participant; or (2) a Reviewing Representative of a Requesting Party. A Requesting Party that is a Market Participant is not an Authorized Reviewer but it may designate a Reviewing Representative in accordance with Paragraph 5.

J. The term “Nondisclosure Certificate” refers to the Nondisclosure Certificate attached as Appendix A.


When filing or providing in discovery any documents or items containing Protected Materials, a party shall physically mark such documents (or in the case of non-documentary materials such as computer diskettes, on each item) as “PROTECTED MATERIALS SUBJECT TO PROTECTIVE ORDER,” or with words of similar import as long as one or more of the terms “Protected Materials” or “Protective Order” is included in the designation to indicate that the materials in question are Protected Materials. All materials so designated shall be treated as Protected Materials unless and until: (a) the designation is withdrawn pursuant to Paragraph 14 hereof; (b) an Assigned ALJ, Law and Motion ALJ, Assigned Commissioner, or the Commission makes a determination that: (i) the document does not contain Protected Materials or does not warrant confidential treatment or (ii) denies a motion to file the document under seal; or (c) the document or information becomes public knowledge, other than through disclosure in violation of this Protective Order or any other nondisclosure agreement or protective order.

All documents containing Protected Materials that are tendered for filing with the Commission shall be placed in sealed envelopes or otherwise appropriately protected and shall be tendered with a motion to file the document under seal pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure. All documents containing Protected Materials that are served on parties in a proceeding shall be placed in sealed envelopes or otherwise
appropriately protected and shall be endorsed to the effect that they are served under seal pursuant to this Protective Order. Such documents shall only be served upon Authorized Reviewers and persons employed by or working on behalf of the Commission. Service upon Authorized Reviewers and persons employed by or working on behalf of the Commission may either be: (a) by electronic mail in accordance with the procedures adopted in this proceeding; (b) by facsimile; or (c) by overnight mail or messenger service. Whenever service of a document containing Protected Materials is made by overnight mail or messenger service, the Assigned ALJ shall be served with such document by the same means and at the same time.

4. **Redaction of Documents.** Whenever a Party files, serves or provides in discovery a document that includes Protected Materials (including but not limited to briefs, testimony, exhibits, and responses to data requests), such Party shall also prepare a redacted version of such document. The redacted version shall enable persons familiar with this proceeding to determine with reasonable certainty the nature of the data that has been redacted and where the redactions occurred. The redacted version of a document to be filed shall be served on all persons on the service list, and the redacted version of a discovery document shall be served on all persons entitled thereto.

5. **Designation of Reviewing Representatives.** The Requesting Party shall provide written notice identifying its proposed Reviewing Representative(s) to the Disclosing Party before the Disclosing Party provides any Protected Materials to the Requesting Party’s Authorized Reviewers. The written notice shall include the information identified in this paragraph. If the Requesting Party decides to designate any additional Reviewing Representative(s) after the Requesting Party’s Authorized Reviewers receive Protected Materials, the Requesting Party shall identify the additional proposed Reviewing Representative(s) to the Disclosing Party before the Requesting Party provides Protected
Materials to the additional Reviewing Representative(s). Within five (5) business days after receiving written notice of the identity of any Reviewing Representative, the Disclosing Party may provide the Requesting Party with a written objection to a specific Reviewing Representative stating the grounds for the objection. Any dispute concerning whether an identified person or entity is an appropriate Reviewing Representative shall be resolved through the dispute resolution procedures in Paragraph 11 of this Protective Order. If a Disclosing Party objects to a specific Reviewing Representative within five (5) business days after the Reviewing Representative is identified, the Parties shall not provide any Protected Materials to the disputed Reviewing Representative until the Parties are able to resolve the dispute consistent with the dispute resolution procedures in Paragraph 11. Failure by the Disclosing Party to object within five (5) business days does not waive the Disclosing Party’s right to later object to the Reviewing Representative, even if Protected Materials has already been disclosed. However, further disclosure of Protected Materials would be stayed until the parties are able to resolve the dispute consistent with the dispute resolution procedures in Paragraph 11.

Reviewing Representative(s) have a duty to disclose to the Disclosing Party any potential conflict of interest that puts the Reviewing Representative in violation of D.06-12-030, as modified by subsequent decisions of the Commission. A resume or curriculum vitae is reasonable disclosure of such potential conflicts, and should be the default evidence provided in most cases.

6. **Nondisclosure Certificates.** A Reviewing Representative shall not inspect, participate in discussions regarding, or otherwise be granted access to, Protected Materials unless and until he or she has first completed and executed a Nondisclosure Certificate, attached hereto as Appendix A, and delivered the signed Nondisclosure Certificate to the Disclosing Party. The Disclosing Party shall retain the executed Nondisclosure Certificates pertaining to the Protected
Materials it has disclosed and shall promptly provide copies of the Nondisclosure Certificates to Commission Staff upon request.

7. **Access to Protected Materials and Use of Protected Materials.** Subject to the terms of this Protective Order, Authorized Reviewers shall be entitled to access any Protected Materials and may make copies of Protected Materials, but such copies become Protected Materials. Authorized Reviewers may make notes of Protected Materials, which shall be treated as Protected Materials if such notes disclose any Protected Materials. Protected Materials obtained by a Party in this proceeding may also be requested by that Party in a subsequent Commission proceeding, subject to the terms of any nondisclosure agreement or protective order governing that subsequent proceeding, without constituting a violation of this Protective Order.

8. **Maintaining Confidentiality of Protected Materials.** Each Authorized Reviewer shall treat Protected Materials as confidential in accordance with this Protective Order and the Nondisclosure Certificate. Protected Materials shall not be used except as necessary for participation in this proceeding, and shall not be disclosed in any manner to any person except: (i) Authorized Reviewers; (ii) an Authorized Reviewer’s employees and administrative personnel, such as clerks, secretaries, and word processors, to the extent necessary to assist the Authorized Reviewer, provided that they shall first ensure that such personnel are familiar with the terms of this Protective Order and have signed a Nondisclosure Certificate; and (iii) persons employed by or working on behalf of the Commission. Authorized Reviewers shall adopt suitable measures to maintain the confidentiality of Protected Materials they have obtained pursuant to this Protective Order, and shall treat such Protected Materials in the same manner as they treat their own most highly confidential information.

Authorized Reviewers shall be liable for any unauthorized disclosure or use by themselves and/or employees, paralegals, or administrative staff. In the event any Authorized
Reviewer is requested or required by applicable laws or regulations, or in the course of administrative or judicial proceedings (in response to oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any of Protected Materials, the Authorized Reviewer shall immediately inform the Disclosing Party of the request, and the Disclosing Party may, at its sole discretion and cost, direct any challenge or defense against the disclosure requirement, and the Authorized Reviewer shall cooperate in good faith with such Party either to oppose the disclosure of the Protected Materials consistent with applicable law, or to obtain confidential treatment of the Protected Materials by the person or entity who wishes to receive them prior to any such disclosure. If there are multiple requests for substantially similar Protected Materials in the same case or proceeding where an Authorized Reviewer has been ordered to produce certain specific Protected Materials, the Authorized Reviewer may, upon request for substantially similar materials by another person or entity, respond in a manner consistent with that order to those substantially similar requests.

9. Return or Destruction of Protected Materials. Protected Materials shall remain available to Authorized Reviewers until an order terminating this proceeding becomes no longer subject to judicial review. If requested to do so in writing after that date, the Authorized Reviewers shall, within fifteen days after such request, return the Protected Materials to the Disclosing Party that produced such Protected Materials, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and notes of Protected Materials may be retained, if such Protected Materials are maintained in accordance with Paragraph 8. Within such time period each Authorized Reviewer, if requested to do so, shall also submit to the Disclosing Party an affidavit stating that, to the best of its knowledge, all Protected Materials have been returned or have been destroyed or will be
maintained in accordance with Paragraph 8. To the extent Protected Materials are not returned or destroyed, they shall remain subject to this Protective Order.

In the event that a Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged to provide services in this proceeding, then access to such materials by that person shall be terminated and the Reviewing Representative shall immediately return or destroy all Protected Materials, or provide an affidavit stating that all Protected Materials and all notes of Protected Materials will be maintained in accordance with Paragraph 8. Even if a Reviewing Representative is no longer engaged in this proceeding, every such person shall continue to be bound by the provisions of this Protective Order and the Nondisclosure Certificate.

10. Access and Use by Governmental Entities.

A. In the event the Commission receives a request from the California Energy Commission (“CEC”) for a copy of or access to any Party’s Protected Materials, the procedure for handling such requests shall be as follows. Not less than five (5) business days after delivering written notice to the Disclosing Party of the request, the Commission shall release such Protected Materials to the CEC upon receipt from the CEC of an Interagency Information Request and Confidentiality Agreement (“Interagency Confidentiality Agreement”). Such Interagency Confidentiality Agreement shall: (i) provide that the CEC will treat the requested Protected Materials as confidential in accordance with this Protective Order; (ii) include an explanation of the purpose for the CEC’s request, as well as an explanation of how the request relates to furtherance of the CEC’s functions; (iii) be signed by a person authorized to bind the CEC contractually; and (iv) expressly state that furnishing of the requested Protected Materials to employees or representatives of the CEC does not, by itself, make such Protected Materials public. In addition, the Interagency Confidentiality Agreement shall include an express acknowledgment of the Commission’s sole authority (subject to judicial review) to make the
determination whether the Protected Materials should remain confidential or be disclosed to the public, notwithstanding any provision to the contrary in the statutes or regulations applicable to the CEC.

B. In the event the Commission receives a request for a copy of or access to a party’s Protected Materials from a state governmental agency other than the CEC that is authorized to enter into a written agreement sufficient to satisfy the requirements for maintaining confidentiality set forth in Government Code Section 6254.5(e), the Commission may, not less than five (5) business days after giving written notice to the Disclosing Party of the request, release such Protected Materials to the requesting governmental agency, upon receiving from the requesting agency an executed Interagency Confidentiality Agreement that contains the same provisions described in Paragraph 10.A above.

C. The CEC may use Protected Materials when needed to fulfill its statutory responsibilities or cooperative agreements with the Commission. Commission confidentiality designations will be maintained by the CEC in making such assessments, and the CEC will not publish any assessment that directly reveals the data or allows the data submitted by an individual load serving entity to be “reverse engineered.”

11. Dispute Resolution. All disputes that arise under this Protective Order, including but not limited to alleged violations of this Protective Order and disputes concerning whether materials were properly designated as Protected Materials, shall first be addressed by the parties through a meet and confer process in an attempt to resolve such disputes. If the meet and confer process is unsuccessful, either party may present the dispute for resolution to the Assigned ALJ or the Law and Motion ALJ.

12. Other Objections to Use or Disclosure. Nothing in this Protective Order shall be construed as limiting the right of a Party, the Commission Staff, or a state governmental agency
covered by Paragraph 10 to object to the use or disclosure of Protected Materials on any legal
ground, including relevance or privilege.

13. **Remedies.** Any violation of this Protective Order shall constitute a violation of an
order of the Commission. Notwithstanding the foregoing, the parties and Commission Staff
reserve their rights to pursue any legal or equitable remedies that may be available in the event of
an actual or anticipated disclosure of Protected Materials.

14. **Withdrawal of Designation.** A Disclosing Party may agree at any time to remove
the “Protected Materials” designation from any materials of such Party if, in its opinion,
confidentiality protection is no longer required. In such a case, the Disclosing Party will notify
all Requesting Parties that the Disclosing Party has agreed to withdraw its designation of
Protected Materials for specific documents or material.

15. **Modification.** This Protective Order shall remain in effect unless and until it is
modified or terminated by the Commission or the Assigned ALJ. The identity of the parties
submitting Protected Materials may differ from time to time. In light of this situation,
modifications to this Protective Order may become necessary. The Parties shall work
cooperatively to develop such modifications and, to the extent the Parties are able to agree to
modifications, shall file a motion with the Assigned ALJ or the Commission seeking approval of
the modifications. To the extent Parties are unable to agree on modifications after a good faith
effort, each party governed by this Protective Order has the right to seek modifications in it as
appropriate from the Assigned ALJ or the Commission.
16. **Interpretation.** Headings are for convenience only and may not be used to restrict the scope of this Protective Order.

Entered: ____________________________

Administrative Law Judge

Date: _______________________________
APPENDIX A TO PROPOSED PROTECTIVE ORDER
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions. ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) ) )

Rulemaking 11-03-012

NONDISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Order in this proceeding, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of California Public Utilities Commission.

Signed: _______________________
Name ________________________
Title: _________________________
Organization: __________________
Dated: ________________________

{00120571.RTF;1}
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)

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

Advice Letter (AL) #: 3637-G/4711-E
Subject of AL: Pacific Gas and Electric Company’s 2016 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Keywords (choose from CPUC listing): Compliance

AL filing type: ☒ Annual ☐ Monthly ☐ Quarterly ☐ One-Time ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 14-12-083

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: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: Yes, see confidential declaration and matrix (attachment B)

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Christopher Warner - CJW5@pge.com

Resolution Required? ☐ Yes ☒ No

Requested effective date: October 30, 2015
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:

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: Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com
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<th>Organization/Individual</th>
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<th>Company/Utility/Association</th>
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<tr>
<td>AT&amp;T</td>
<td>Don Pickett &amp; Associates, Inc.</td>
<td>OnGrid Solar</td>
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<td>Albion Power Company</td>
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