2022 Q1: Business and Agriculture Rates Pricing and Transitions Webinar

Hello. Thank you for joining us today. This is the 2022 Q1 Business and Agriculture Rates Pricing and Transition webinar by PG&E. And so today, I want to go ahead and thank you all for joining us. This is a very informational and packed with a lot of information today. So I usually want to make sure that everybody has the opportunity to be comfortable. Make sure that you're in a good space. So let's get started.

All right, so this is our agenda. We are going to go over the logistics and safety, then we're going to go jump right in to the rates. Also, things that are happening in terms of the CPUC around solar and net energy metering, or what was net energy metering. Customer tools, our Peak Day Pricing, and agricultural transition. And then also, those rules around changing the rates.

And just to let you know, the format today is actually designed to be as efficient as possible for you. So what that means is that it's for both business and agricultural customers, so for the broader audience. And then to be respectful of your time, after the Peak Day Pricing segment, which applies to both groups of customers, if you are not-- if you don't have any agricultural interests after that, then you'll be able to drop off, but we will let you know. But you'll be able to drop off after that, because then it will be more targeted to our customers who have agricultural interests around that time of use rates transition. All right.

So this is a Teams Live event. So everybody is automatically on mute that's attending. So if you're experiencing any audio issues, please let us know in the Q&A portion on your window. You can type in any questions or comments, and we should be able to see them. If there are audio issues that are being experienced, we will make an announcement that we're having some technical issues so we can accommodate on our end. If it's on your end, we will let you know and say-- we may suggest logging out and logging back in.

Please, since a lot of you may have entered anonymously, or sometimes it's not always the email that you want to receive information at, we do ask that if you'd like to receive a copy of this presentation and the Q&A that we embed into the deck after the event, please enter your email in the question and answer. It is not posted to the wider audience. And that way, we'll have the ability to get that information to you.

Please enter your questions in the Q&A, or singular question. That way, we will try and respond. Now, if your question is specific to your business or your agriculture accounts, then please include your name and contact information. It can be a phone number, it can be an email, whatever you prefer. Or even if you know who your rep is or if you're an unassigned, just please put that information in there, and then we'll be able to respond to you after the event specifically, if we're not able to respond to you during this event today. And then that way, we'll be able to investigate, research, or get in contact with you directly. OK.

All right. So really quickly, please just make sure that-- be aware of your environment, that you're in a safe space. The majority of us are at work right now, even if we're working from our homes. If you're experiencing a medical emergency, obviously that takes priority, so. And if no one's with you, please let us know.

We are actively monitoring our chat-- or I'm sorry, our Q&A, and we will do our best to assist you if needed. But otherwise, obviously be aware of anything else happening. Make sure that you're in a good space physically, emotionally, and that we will be taking this opportunity to stretch and make sure that you are feeling OK in your space. So we do a 30-second stretch, typically around every 30 minutes.

All right, so let's get started. Electric and Gas Rates and Regular Proceedings Update. I'm introducing Ben Kolnowski, who's with our electric rates, and Katia Sokoloff, who is with our gas rates. All right, so Ben, take it away.

Thanks, [? Jeannie, ?] and hi, everyone. So we'll start by providing a summary of the key rate change proceedings, and then we'll walk through a rate change calendar for 2022. Just starting with electric first and the proceedings that we expect to go into rates in 2022, the first one on our list is the 2022 ERRA forecast proceeding. ERRA forecast proceedings occur on an annual basis, and they determine the generation and PCI rates for the upcoming year, in addition to the sales forecast that underlies the calculation of all rates.

So in a typical year, this proceeding is approved in December and it's implemented in rates in January, concurrent with the annual electric true-up. However, this year, the procedural schedule for ERRA had been extended, and we don't expect a final decision until February 10.

And the main driver for this delay was due to a large swing in the market prices for electricity. That's driven a significant projected increase for bundled generation rates and a decrease for PCI rates. The commission had asked for some supplemental testimony and analysis related to these changes. So under the assumption that we receive a final decision on February 10, the expectation is that we could implement this in rates on either March or April of 2022, depending on the outcome of that proceeding.

So second on the list for 2022 implementation is the 2020 Wildfire Mitigation and Catastrophic Event Memo Account, or WMCE. This proceeding requests to recover wildfire-related costs that have occurred from 2017 through 2019. And a settlement was filed in this proceeding last year, and we expect a final decision in the first half of this year.

Third on the list is the 2018 Catastrophic Event Memo Account, which is requesting recovery of emergency response-related costs. And in addition to 2020 WMCE, there's also been a settlement filed in this 2018 CEMA proceeding, and we expect a final decision in the first half of this year.

So fourth on our list, and finally for 2022 implementation, we have the cost of capital proceeding, where PG&E has requested a higher rate of return on capital investments to ensure that PG&E can remain competitive in the capital markets. And this request was submitted back in August of 2021, and a final decision is not expected until the second half of this year.

So looking ahead to 2023, we have two key proceedings on our list. First is the 2021 WMCE proceeding, which is similar to the 2020 WMCE and requests to recover wildfire mitigation of costs accrued from 2017 through 2020, and the request in this proceedings to amortize those costs over a two-year period and be effective in rates in 2023.

And then finally, we have the 2023 GRC Phase One proceeding, which was filed back in June, on June 30 of 2021. And that funds a variety of investments related to things such as wildfire mitigation, which includes system hardening and vegetation management, as well as power generation, safety, and reliability investments. So this is expected to be implemented in rates by the end of 2023, as that proceeding continues to evolve.

So next, I'll hand it over to Katia to cover the gas rate change proceedings.

Thanks, Ben, and good morning, everyone. I'm Katia Sokoloff of gas rates. A lot of the proceedings kind of go over gas and electric, and Ben did a great job in explaining those. So I'm just going to talk about the ones that are specific to gas.

And the first one on the list is the 2011 and 2014 capital expenditure that was filed back in July of 2020. PG&E's application sought approval of 416 million revenue requirement that was associated with an audit that was directed by the commission in the 2019 GT&S Additionally, that application requested approval of the cost recovery mechanism, including a gas rate impact mitigation proposal of collecting the amounts over three years.

The current status is that in July of 2021, PG&E filed with Cal Advocates, TURN, and Indicated Shippers a settlement agreement. Among other items, there was a reduction in the revenue requirement of 60 million, and the recovery in rates was increased over five years. We are currently waiting for the commission to produce a proposed decision.

The second item is the 2023 Gas Transmission and Storage Cost Allocation and Rate Design. It is a mouthful of words, so we usually refer to that as CARD or GT&S CARD. With the movement of the GT&S functional revenue requirements into the GRC, PG&E filed for the first time the CARD application. This includes the ratemaking proposals for the GT&S services to recover the revenue requirement proposed in the 2023 GRC.

The CARD application addresses non-revenue requirement aspects of the backbone, storage, and local transmission ratemaking. PG&E also proposed that the 2023 CARD be implemented either simultaneously or close to the implementation of the 2023 GRC in order to keep the cadence of the previous GT&S case.

Some of the proposals in that case are to update the sales forecasts, update the local transmission study, as ordered by the 2019 GT&S. The revenue requirement for inventory management is proposed to be collected in end use transportation rates, with a differentiation by customer class, instead of being recovered on an equal cents per therm basis in backbone rates. There is a new proposal for the Baja Redwood path rate differential.

Currently, a scoping memo has been issued. Intervenor testimony is due May 20, and the proposed decision currently is scheduled to come out in the third quarter of 2023. And with that, I will turn that over to Ben.

Thank you. So next, we're going to be covering the rate change calendar. And here on the slide, we've presented a rate forecast through 2022, and we've listed the drivers for the various rate changes. Drivers listed in blue have been approved for implementation, while the drivers in red are still pending approval.

And you can see as we move to March of 2022 and beyond, there's a significant amount of red on the slide, meaning that there's still quite a bit of uncertainty around the rate change frequency and the impacts that are going to occur in 2022. This is our best estimate, based on the current timing in those proceedings as well as the requests that are being proposed in those proceedings.

So we've also provided an estimate of the system average bundled rate impact and the system average impact to direct access and Community Choice Aggregator customers for PG&E provided services only. And these slides will be circulated at the end of the meeting, so as I walk through this, I'll plan to cover the main drivers.

So starting with the January rate change, we implemented an increase of about 7 and 1/2% the system average bundled rate and about 10.3% for the DA and CCA average rate for PG&E provided services. And the main drivers for this increase were GRC attrition year increases, transmission-related increases, as well as incremental insurance costs that are in the Risk Transfer Balance Account as well as the Wildfire Expense Memo Account.

Moving on to the March rate change, unfortunately, we're expecting to see another increase for bundle customers, and the main driver for this increase is related to the 2022 ERRA forecast proceeding, as I mentioned on the previous slide. There's been a significant change in market prices that are driving an increase in the bundled generation rates.

At this point in time, there's a number of different scenarios in play in that proceeding. So on this slide, we've provided a range of the potential outcome for the March 1 rate change impact, and that range for bundled customers is about a 9% to 12% increase. And then subsequently, due to the decrease in PCI rates driven by the change in market prices, direct access and CCA customers would see a decrease in their PG&E provided services of about 16%.

So what's driving these rate impacts in addition to the ERRA forecast proceeding are a number of decreases related to the FERC energy crisis from 2000, as well as a decrease from a refund of DWR bond charges and a decrease resulting from what's called the California Arrearage Payment Program.

And then there's also an increase from the Transmission Access Balancing Account. And I'll note that the percentages that were shown here are percent rate change compared to the previous rates in effect. So for March, the March rate change, that would be a 9% to 12% increase above what was implemented on January of 2022.

So then finally, for the second and third quarters of 2022, we expect rate changes to occur to implement final decisions in the 2020 WMCE proceeding, the 2018 CEMA proceeding, and the cost of capital. In total, we expect those rate changes to result in a bundled increase of about 3% and a direct access and CCA increase of about 5%. So next, I'll hand it over to Katia to cover the gas rate change calendar.

Thank you. So down in the bottom, we have the January 2022 rates that were filed in our annual gas true-up, and we have it for the small commercial GNR-1 schedule, GNR-2 schedule, as well as the industrial distribution and industrial transmission. I do believe in the appendix, we have all the rates that changed. So the drivers for the annual gas true-up was the adopted GT&S attrition, the adopted GRC attrition. We also had a reduction due to the San Francisco general office sale. We had WEMA going in, and then we had the RUBA, which was the Residential Uncollectibles Balancing Account.

For GNR-1 customers, the transportation rate went up about 10.8%. For the GNR-2, 13.6. And then industrial distribution was at 13.3%, and industrial transmission, a 19.2%. If the GT&S audit is approved by the March 17 commission voting meeting, we will have an April rate change that will include the GT&S audit, as well as the incremental insurance, the RTBA. This will increase the rates for customers between 2.4% to 4.4%.

And then again, in the last quarter of the year, we will-- if these proceedings are approved, we will be putting in the cost of capital, as well as the Wildfire Mitigation Catastrophic Event Account, and those increase will result in about a 3% increase to most customers. And with that, I am going to turn it over to Melissa.

Thanks, Katia. I'm Melissa Little. I'm from the Distributed Generation team, and I'll be talking about the proposed decision, or giving an update on the NEM Revisit proceeding. Next slide. OK.

So on December 13, about a month ago, the CPUC issued a proposed decision to the NEM Revisit proceeding and created a new solar and storage customer billing structure, which would be called Net Billing. And then on January 7, a couple of weeks ago, the comments were due by the public as well as the parties to the proceeding.

This next bullet actually was just updated. Previously, the earliest the CPUC could vote out a final decision was January 27, but because this is not currently on the agenda for the January 27 meeting, the next voting meeting is on February 10, so that would be the next opportunity for there to be a vote on this proceeding. However, it could be delayed again.

And just as a reminder, the proposed decision has no legal effect and could change up until the commission hears the item and votes to approve it, so meaning what's in the proposed decision currently can change when it's voted on as a final decision. If you want any additional information, you can go to cpuc.ca.gov/nemrevisit. There's actually a few documents on there that are pretty useful beyond the proposed decision itself, including a fact sheet and a press release that summarizes it pretty well. So that's all I have. Next, I'm going to turn over to Wayne Cho to talk about your account tools.

Hello. Hi, hi, everyone. Thanks, Melissa. Can you all hear me OK? As I said, Wayne Cho. I'm a product manager for our nonresidential tools. And over the next couple of minutes, I'm going to show you some of the awesome tools that we have online to help you really gain insights into your energy usage, how you're using your energy, and hopefully save some money. Just the other day, I've been told online is better, so let's take a look right now. Next slide.

This may look familiar to many of you that have a pge.com account. It's what you see when you log into your pge.com account. As you can see, it's really more than just a portal to view and pay your bills. On the left side, you see information on the balance of your account, and you have some tools there where you can access some billing tools.

But more importantly, and what I'm going to be focusing on, is over here on the right-hand side of the page, where you have access to tools that can really help you understand your business's energy usage and, as I said, opportunities to save money. These tools are part of our Business Energy Checkup platform.

The main focus for the next couple of minutes is on tools that can help you compare your current rate plan with other rate plans that you may be eligible for to ensure that you have the lowest cost plan, how to change your rate plan if necessary, be able to view your costs and usage data, historical costs and usage data, and see how that may change over time. And then last but not least, also compare bills-- your current bill with previous month's bill.

And in this portal, clicking on any of these links will take you to our Business Energy Checkup portal where you have a single point of access to all of these tools. So let's go ahead, take a closer look at these tools. Next slide.

This-- what you see here, our Cost and Usage tool, is one of the most used tools by our customers. It really allows you to easily view your energy usage and costs over a specific period of time. As you can see, your data is presented in a very user-friendly, customizable chart that gives you the exact data that you're looking for. So you could customize that chart to see your usage on a daily basis, weekly basis, monthly, or over the year.

And you can easily switch between focus, between gas and electricity usage as well. So you can view the chart by electricity costs or electricity usage or demand. And for our gas customers, as I mentioned, you could view by your gas usage and cost.

And one thing that I do want to highlight here as one of the coolest features is that by moving your mouse over a specific bar on this bar chart, you'll see a window, a rollover window, that kind of gives you specific details as to that particular day, month, or year. So quick example-- in this chart, on this slide, it shows the monthly cost associated with each of the time of use periods. And as I mouse over July, I see a detailed breakdown of usage and costs for that particular period. Next slide.

For those of you that kind of find yourselves frequently comparing, whenever you get that bill in the mail or see it online, comparing a current bill with the previous month's bill to kind of get some insights into how your costs or usages have changed, this is the tool. This is where you want to go. This tool basically allows you to compare a bill with the previous month's bill or even last year's bill from the same time period. It breaks down the key changes impacting the cost.

So in this screenshot you see here, we see that the current bill is $57 lower than the previous month's bill, and over to the right of the page, we display a summary of all the key changes driving the change in costs. And clicking additionally on the Details link, you can see a kind of detailed breakdown for each of the categories that's driving these change.

So you can see here clicking on the details for Energy Charges, I see additional insight into the energy charges that I incur for each of the TOU periods. Next slide.

Next up is Rate Analysis. For those of you that are kept up at night wondering if you're currently on the best rate plan, this is the tool for you. Rate Analysis allows you to see how your current rate plan compares to other rate plans that you're also eligible for.

What happens behind the scenes is that this tool automatically takes your actual usage over the past 12 months and-- with current prices to calculate the price of that usage under each of the rate plans that you're eligible for, including your current rate plan. From the screenshot, you can see for this particular current rate plan, there's actually a better rate plan in this particular case, where the customer can save $269.

And one thing that I do want to highlight here is when you click on the Other Rate Plan link there, it'll display the other rate plans that you're eligible for and the projected cost for each of those other rate plans. Next slide.

If you want to dive more into the details of the rate plan, click on the Learn More link and that'll present you with a detailed explanation and comparison of the rate plan. Here you see an overview of the rate plan as well as a chart showing a month to month comparison of the cost between the two rate plans that we were comparing.

As you can see, Rate Analysis is a really great tool for you to quickly learn if you're on the best rate plan available to you. And one thing that I do want to mention is that this tool runs the analysis against a single service agreement. You can easily select the service agreement that you want to analyze from the Service Agreement dropdown box that you see up in the upper right corner. And the tool will automatically display the updated rate plan analysis.

But as we all know, many businesses have more than one service agreement, so wouldn't it be great if I could run this analysis across all my service agreements at the same time, rather than having to do it one at a time? That's where-- cut next slide-- so this is where Batch Rate Analysis comes in. Batch Rate Analysis will do exactly that. It'll make your life easier for those of you that have multiple service agreements.

This tool, basically, it does the same thing, but it analyzes all of your service agreements at the same time. And then, as you can see, it summarizes the results in a table for you to view online, or you can export the results to a CSV or PDF file for service-- for further analysis.

At the top over here, just quickly go over it, you see kind of potential savings for all of your service agreements. You can see how many service agreements were analyzed. One thing you'll note is there's some service agreements that we can't analyze, and that's because there are several scenarios that may occur.

For one, if we don't have enough interval data, this tool really needs at least the last three months of interval data in order to run an analysis. And also, we do not analyze any gas service agreements, which is why you may see a gap in the service agreements analyzed.

And then lastly, we show you how many service agreements have potential savings. So in this example, there are 95 service agreements that were analyzed and have better rates, for an estimated savings of $198,000. So you can really kind of use this information, kind of dive into the exact service agreements.

In this second section here, you have the ability to filter the result and target specific savings profiles. So for example, only show-- maybe I'm only interested in service agreements where I save over $100. And only show me those service agreements. So you really have the power to really kind of tailor this tool to the type of insight that you want. You can also upload a specific set of SAs that you want to analyze. And then, as I mentioned, you can export results to a CSV or a PDF file. Next slide.

So now that you know how your current rate plan compares with others, some of you may be wondering, hmm, how would my rate plan change if I made some changes? So this is where using the Rate Simulator, you can see which rate plan is best if you modify your energy usage or demand.

This tool guides you through a series of energy consumption questions and based on your responses and adjustments that you made, the tool calculates the impact and presents the best rate plan. Now, as you can see on the slide, there's a series of four questions, and you have the ability to easily toggle and make the desired adjustments to simulate the results. Next slide.

And now on for-- this is our newest feature, the Advanced Rate Simulator. This really helps you answer those more targeted, what if questions as you explore options to help you optimize your energy usage. So what if I cut my usage in December? Or what if I was on a different rate plan? What if I shifted more of my usage to off-peak hours? The Advance Rate Simulator allows you to really modify consumption and demand data for each month. So you have that next level of granularity which you don't have in just the normal Rate Simulator.

By default, the table is pre-populated with actual usage values over the past 12 months. In this particular example, looking over the past 12 months, I notice that my on-peak usage in December was at its highest. So what if I was able to lower that usage? How would that impact the energy costs? So with this tool, I can easily adjust the on-peak usage in December and click Simulate.

And in this example, as you can see, it would simulate the cost and show me for December, based on how I adjusted the usage, I would save $17. So this tool really gives you the power to create a customized energy usage and demand profile, and gives you the insights to see how cost impacts operational changes or equipment upgrades. So really powerful tool. Next slide.

And last but not least, I just want to kind of talk about this. So you saw all the rate analysis tools. You have all of this information. And you know, what's next? So we make it really easy for you to kind of manage and change your rates. You basically get to this page by clicking on the Manage Your Rate Plan link from either the dashboard or the Change Your Rate Plan link on the Rate Analysis page, and here you see all of the service agreements that are associated with your account.

And to change rate plans, just click on the Change Rate link for each of the specific or desired service agreements, and you'll see-- next slide-- and this will take you to the next slide, where you can see your current rate plan and all of the rate plans that you're eligible for.

And based on the information that you got from the tool with regards to rate analysis, it's just as simple as selecting the rate plan that you want that has the better rate and just clicking Next to review and submit your request. I mean, it's as easy as two steps. Like that. So with that, that's all I had. I'm going to close it out, and now I'm going to hand it off to Priya to talk to you about Peak Day Pricing changes.

Thank you, Wayne. Good morning, everyone. I'm Priya and I'm the program manager for Peak Day Pricing. Over the next few slides, let's look at how Peak Day Pricing is changing in 2022. Let's go into the next one.

So this is a bit of background on the program itself. So it's an optional rate plan that is right over your rate. So we began back in 2010 with 2:00 to 6:00 PM being our event hours. Now we are in 2021, we saw that change to 5:00 to 8:00 PM. Well, in 2022, as per CPUC mandated change of hours, it's changing again.

For both business and Ag customers, it's going to be 4:00 to 9:00 PM, effective-- so the system is all ready to take up the change in March. However, since our event season begins in June, it will be in effect starting June 2022, meaning any event which is called from June 1 onwards will adhere to these event timings, which is 4:00 PM to 9:00 PM. Next slide, please.

OK. So there's not much change on the underlying rates from last year. These are the rates that I've listed. These are our underlying PDP eligible rates. I would only want to point out two new NEM rates that have been included as eligible for PDP which you see down there-- H2B1N and H2B6N. Other than that, nothing is changing on the rates eligibility for the program this year.

Our summer season is from June 1 to September 30, including weekends and holidays. So as I mentioned in the last slide, effective March 2022, we would be ready to take on the new PDP hours from 4:00 to 9:00 PM, and the 5:00 to 8:00 PM would be rolled off. Everybody who is on 5:00 to 8:00 would transition to the new hours of 4:00 to 9:00 PM. Next slide, please.

OK, let's talk about the capacity reservation level. So for our large customers who are on B19, B20, and AG-C, it is required that a CRL be selected, the capacity reservation level. So basically, the CRL is a level of usage that is shielded from the PDP, the Peak Day Pricing charges during the event hours.

So it's extremely important that all customers who are on these big rates elect a CRL carefully, based on what are the requirements for usage, or what kilowatt they anticipate would continue to be used even during the event hours. And that kilowatt value will be shielded against the PDP charges. All charges are applicable once the usage is above the CRL.

It is also true for the credits. The PDP credits during the event hours will be applicable only above the CRL level. It is just the way to maintain that we are, in fact, taking a realistic view at the CRL, the level to keep our operations on during the PDP event hours. Next slide.

OK, so customers can optionally enroll at any time. But we will be starting-- we have started our default in January, with the 60-day letters going out. We will follow that up with the 30-day letters starting in February, and the customers would be starting to default effective on March 1.

As I mentioned in the previous slide, the existing PDP customers would also transition to the 4:00 to 9:00 PM effective March 1. All other parameters of the program, like bill protection, is still applicable. All customers who newly joined PDP have bill protection for a period of one year. And customers can opt out at any time from the program, or de-enroll after March 1 from PDP.

So these are all the upcoming changes for PDP, and with that, I will hand it over to Michelle for the Ag transition. Take it away, Michelle.

Hi, everyone. This is the point in the presentation that we're going to switch to more of an Ag-focused rate. So if you only have business rates, feel free to drop off. But if you're an agricultural customer, we'll get started. So what is happening and when? As part of a statewide effort to create a cleaner energy future, time-of-use electric rate plans with peak hours are changing from afternoon peak hours, when prices are highest, to evening peak hours.

And this change is happening because the growth of renewable energy sources on the grid has shifted the peak demand time for energy usage from afternoons to evenings. Now, we just got done transitioning a large amount of PG&E's business and agricultural customers to these legacy time-of-use rates to the new peak rates with the afternoon and evening hours in March of 2021.

However, for customers that were not eligible in March of 2021 for the transition to the new time-of-use rates, we are going to be transitioning future eligible customers in the transition window of March for agriculture customers and every November for business customers. So we just got done with the transition period this past November for business, and then this presentation is going to be focusing on the upcoming transition in March of 2022.

So in addition to shifting the peak hours to later in the day, there were some other changes that came with the new rates. One of them is that we shortened our summer season on the legacy rate. It used to be May through October, and now it is only from June through September. We've also tried to simplify our rates a little bit. So the peak period is in effect Monday through Sunday, 365 days of the year, which would include weekends and holidays. So really, just trying to keep it simple for everyone.

And those peak periods are going to be 4:00 to 9:00 PM for business and 5:00 to 8:00 PM for agriculture. And in this screen, the diagram on the far left is kind of a high-level overview of the previous rate structure. In the middle, you kind of see the times restructure for business. And on the very right is where the diagram is for Ag customers, and you'll see that peak period in orange from 5:00 to 8:00 year round, every day of the year, January through December. So a pretty simple structure for Ag customers in order to help manage your businesses.

So customers who are eligible for these annual transitions from the legacy time-of-use peak periods to the new 5:00 to 8:00 PM time-of-use peak periods is any Ag customer who has an interval billing meter that can be read remotely by PG&E. So customers who are ineligible for these transitions includes anyone who does not have an interval billing meter. It includes any customers who are currently on a flat legacy rate, which is a non-time-of-use rate, who have less than 12 months of interval billing data available, and any qualifying legacy solar customers.

Now, outside of the transitions that happen once a year in March for Ag, if you're a new customer starting service with PG&E, you're going to have these new Ag time-of-use periods with the later 5:00 to 8:00 peak period available for you upon new enrollment. And if you are on a legacy time-of-use rate with the afternoon peak hours, and you'd like to enroll in our new time-of-use rates with the later evening peak hours, if you want to do that ahead of your scheduled March transition window, you may do that at any time, as long as you have an interval billing meter.

With these March transitions, we had a group of customers under the category of being Ag high impact customer, and those customers are defined as anyone who started service before August 9, 2018, and experienced bill increases greater than 7% and $100 on an annual basis as a result of the Ag rates with the new time-of-use periods. And that was defined in our 2017 General Rate Phase II Decision, 18-08-013.

These customers were afforded an extra year on our legacy rates in order to change their business operations and brace themselves for the new peak hours. And so instead of transitioning in March of

2021, which was our big wave of transitions, they're now going to be eligible to transition to our new Ag rate plans starting this March in 2022.

Now, in order to come up with this 7% and $100 increase, PG&E used historical usage, based on an average of the available interval data, for up to a three-year period ending in September 2020. So it was based off of a very specific time frame of usage. And I want to call out that it was a three-year period, because if you're using the Rate Analysis tools that my colleague Wayne just went over, I want to remind customers that those are based off of up to a 12-month analysis. So if there is a difference in the percentages, that's why.

And lastly, for these customers who fit under this category, they received an early time-of-use transition letter in October of 2021, and they're also going to receive the regular time-of-use transition letters 30 and 60 days prior to their transition in March. So they'll receive those letters in January and February with the rest of the eligible population.

So for the time-of-use transition timing, all eligible customers transitioned to a new time-of-use period beginning in March 2022, this is going to be by your bill cycle. So it's not like everyone transitions on March 1, 2022. It's based off of your regular billing. And then the transition period is going to end on April 30. So we've focused a lot on talking about March, but we will have some bill cycles that trickle into April and will transition then. So the time frame of when you will expect to see your new rates on your bills will either be your April bill, if you transition in March, or your May bill, if you kind of trickled into April.

So on this slide, it's kind of busy. As [? Jeannie ?] mentioned earlier, and if you joined a couple of minutes late, if you send us your email, you'll receive a copy of the slides and a recording of the slides. So this is more of a reference slide. I'm going to go through one example. But to the left in the dark gray, you're going to see a list of our legacy Ag rate schedules, and the logic to which we determined what rate you'll be transitioned to in the March default to the new time-of-use period.

So in this example, I'm going to be an Ag customer on legacy AG-1A. I'm a customer with demand that's less than 35 kW. Then per the transition logic, I'm going to transition to our smallest-- our new Ag rate, which is AG-A1. Now, after this transition occurs, I could either stay on my transition race, or I may elect the other small Ag rate offering, which is AG-A2 or our Ag Flex Rate option, which is AG-FA.

And I had slides that'll go into the differences between these rates, but the main callout is to use this as a reference slide of logic of legacy rates to new rates and how that mapping works, and to call out that you can elect a different rate than one you've been transitioned to.

So we've talked a lot about the transition in March at a high level. Next I'm going to talk about the rates in more detail. So we had a ton of legacy Ag rates. We took in customer feedback. We heard that it was hard for customers to determine what their best rate was. It was hard to tell the difference between the rates. So PG&E made a big effort with the Ag parties to help consolidate the rates into three different sized categories.

So we have AG-A1 and AG-A2, which are our two small rate offerings for our smallest Ag customers. We have AG-B for our medium-sized customers and AG-C for our largest agricultural customers. On these new rates, there are going to be no connected load charges, and instead we're going to be billing customers based off of measured metered demand on all rates. So now customers will only be charged for what they use.

There's a max demand charge on our new rates that's equal in the summer and equal in the winter--again, more simplicity. And then we've also eliminated the Partial Peak Period. So there's only an off-peak and on-peak on the new Ag rate.

Here's a decision tree that kind of illustrates how we tried to make it easy for customers to determine what their best rate is, and especially for customers who are starting new service who might not have previous usage to help determine what their best rate is. So if you're a new customer, one of the first questions you're going to get asked is, do you expect to have usage greater than or less than 35 kW?

If it's less than, then the next question to determine your best rate is going to be your annual operating hours. If you have less than 1,300 annual operating hours, you're going to be most applicable for our smallest Ag rate offering, which is AG-A1. And if you had greater than 1,300 annual operating hours, you're going to be most applicable for our second smallest rate, which is AG-A2.

Now, starting at the top of this matrix again, if you are greater than 35 kW, you're going to be applicable for one of our medium or our large Ag rate offerings. So if you have less than 1,500 annual operating hours, you're going to be most applicable for our medium tariff, which is AG-B. And if you have greater than 1,500 annual operating hours, you're going to be applicable for our largest Ag rate offering, which is AG-C.

Now, in this slide, I talked about all of our base rates, or what I would call our base rates, in the dark blue boxes. These are rates that we're going to be transitioning customers to each March. But there's also these AG-F rates for our Ag Flex Rates, which are optional rate offerings. They're available to all customers of all size categories. We have AG-FA for small, AG-FB for medium, and AG-FC for large customers. And I will go into detail on these optional rate offerings in a future slide.

All right, so this is a slide with our base rate offerings. So these are rates that customers will be defaulted to each March. And again, a really busy slide, but a really nice resource slide to print out and have if you're trying to learn about PG&E's rates. So a lot of overlap from what I went through in that Ag matrix slide, but something to call out is that our AG-A1 rate is designed for small businesses with lower load factors.

So in addition to having less than 35 kW and less than 1,300 annual operating hours, you can use the slide, if you divert your eyes to the bottom of the screen below the text in orange, to kind of compare between the two smallest rate offerings. So in comparison, you're going to see that AG-A1 is going to have lower demand charges than AG-A2, but it's going to have higher energy charges with a wider TOU differentiation than AG-A2. And AG-A2 is for small businesses with a higher load factor. So this slide's kind of helpful comparing the two small rate offering [? groups. ?]

Similarly, to the right of the slide, you can compare our medium and our large rate offerings for customers with greater than 35 kilowatt hours of demand. Our AG-D rate is designed for medium businesses with a lower load factor. And again, I'm going to read this text below the orange towards the bottom of the slide. If you want to compare AG-B to AG-C, AG-B is going to have lower demand charges, but with the higher energy charges and wider TOU differentiation than our largest rate, AG-C.

And AG-C is for our largest business customers who have a higher load factor. Something else to call out that's special about AG-C is that there's a feature called the Demand Charge Rate Limiter, which caps demand at 50%-- or excuse me, $0.50 per kWh. And that's a feature only available on our AG-C rate.

So after the-- or excuse me, prior to the March transition, where we're going to be defaulting customers to those base rates that I just went over, we're going to be sending customers a 60-day and a 30-day letter. You'll receive those in January and February ahead of the transition.

It'll tell you about the transition, it'll detail where to get some of those online resources that Wayne went over and some of our customer tools, and on the back of the letter, it's going to list your service address, your service agreement ID, your current rate plan, and your new rate plan. So you'll know which of your service agreements will be defaulting and to which rate plan ahead of the transition.

Another location where you can tell if you've been-- or which service agreements have been defaulted is you can look at your energy statement in April or May. Again, if you default in March, you're going to see a change on your April statement, or if you trickle into April, you might see it on your May statement, and this is the location of where you would see your rate schedule on your bill.

And for customers like me, who like to look at my account information online, you can also see your current service agreement, your transition date, which rate you're going to be transitioned to, and then after your transition, which rate plan you're on. And that's what's called out here in this image.

As promised, in addition to our base rate offerings for Ag customers, we have optional Ag Flex Rates. And these are rates that allow long off-peak pumping periods where you can designate two days of off-peak pumping. [COUGHS] Excuse me. Those day selections are Wednesday and Thursday, Saturday and Sunday, or Monday and Friday.

On these rates, the on-peak prices are going to be modestly higher than the on-peak prices of the Ag base rates, but if customers can restrict their operations or pumping to the off-peak period days that they've selected, then AG-F could be an attractive rate plan for you. If you want to learn more information about our Ag Flex Rates, you can go online and do a rate analysis. All of our Ag rates-- excuse me. All of our AG-F Rates are in the tool.

And then if you'd like to enroll in the Flex Rate option, you can call our Ag call center line, which is 877-311-3276. When you call the call center, they're going to ask you for your day selections, so those are the Wednesday-Thursday, Saturday-Sunday, or Monday and Friday. These date selections are available to all Ag customers, but conditional to local circuit constraints.

PG&E reserves the right to eliminate the availability of some options for off-peak period days on some circuits based on or due to local circuit constraints. So that's a mouthful, but what that basically means is if everyone in one circuit selects the Saturday and Sunday option and it creates constraint on the circuit, then you will be allowed your second choice day selection. We haven't come close to needing to close down any offerings in any circuits, but just want to throw that disclaimer out there.

And I also want to call out that if you're a customer who is used to having off-peak periods on holidays and weekends on our legacy rates, then AG-F might be an attractive option for you because you can select the Saturday and Sunday option and have the off-peak periods on weekends again.

Other resources available to you is our web landing page. There's a link here that says phe.com/tou, which you'll find a lot of this same information on there. You'll find educational collateral that you can download in the form of a PDF. There's our-- if you want to get into the nitty gritty of our rates, with the prices and structure and applicability, those are all going to be outlined in our tariffs online.

We've got our Rate Analysis tools that Wayne went over earlier in the presentation. You can also enroll online. To enroll into a new rate, you could contact your assigned account rep, if you're a large customer who has one, or you can call our Ag service line at any time. And then lastly, your energy statements are always a good source of information for what you've been billed and which rates you're on.

And here are those lines again. I believe I've called out in this presentation the Ag Customer Service Center line. But if you also have business rates, we have our business line. If you have solar rates, we have a solar line. And then we also have a Peak Day Pricing number, so a good reference slide, depending on what you're calling in for. And I'll hand it off to my colleague Alina. Thank you.

Thanks, Michelle. This is Alina Zohrabian. I work in the Tariff Interpretation teams. So I'm going to talk about Legacy Solar TOU Period Eligibility. So basically, this is based on the two decisions that came out in 2017 that are listed on top. And what it is is that it allows the eligible solar customers to stay on their legacy rate with the legacy TOU periods. And when we talk about the legacy rates, they are the rates that have 12:00 to 6:00 PM peak hours.

So how does it work? Solar customers are allowed up to 10 years of Legacy Eligibility from their first solar permission to operate date if they submitted an interconnection application for that system by January 31 of 2017 for nonpublic agencies, and December 31 of 2017 for public agencies. So obviously, these dates have passed, so the customers that are eligible, they are flagged and hopefully they're aware that they're legacy eligible.

There are very few customers that have not gotten their PTO, and we just want to note that the eligibility period does not start until PTO is issued. The duration of the Legacy Eligibility period will not continue beyond July 31 of 2027 for nonpublic agencies and December 31 of 2027 for public agencies.

So how do you-- how do I check my eligibility? Basically, if you go to pge.com through your account, from your account dashboard, you can click on Manage Your Rate Plan, and then look for the column for each of your service agreements that are titled Legacy Rate Plan Eligibility. And those are the accounts that are eligible.

So what happens when I reach my Legacy Solar TOU Period expiration date, and I actually saw a question about this in the Q&A. So you will no longer be eligible to continue enrollment on the legacy rate. At that time, you can choose an applicable open rate, or PG&E will transition you to an applicable rate on the following deadlines. So for business customers, it's the November after your expiration date, and for agricultural customers, it's the March after your expiration date.

And how is the Legacy Solar TOU Period expiration date different from my NEM expiration date? Basically, they're two different things. Both NEM, NEM and NEM2 tariffs, allow a customer to stay on NEM for 20 years from their PTO date. This has nothing to do with whether a customer qualifies for the Legacy Solar TOU Period or not.

So let's take a look at rule 12, which is rates and optional rates, and we will also look at rate change rules. So rule 12, section B states that at the time of application for service, PG&E will, based on information provided by the applicant, ensure that the applicant is placed on an applicable rate schedule approved by the CPUC. So when you are filling in your application for service, please make sure all of the information is correct, because it is based on that information that we put you on an applicable rate schedule.

And section C states that customers may request one rate schedule change in any 12-month period. PG&E may not be required to make more than one change in rate schedules within a 12-month period unless a new rate schedule is approved or the customer's operating conditions have changed sufficiently to warrant a change in rate schedule. So this March of 2022, the Ag highly impacted customers will be defaulted into the new Ag rate, and because of this language, basically, they don't have to wait 12 months to choose another applicable new rate.

So section C also states that it is the customer's responsibility to request another scheduled or option if the customer's connected load, hours of operation, type of business, or type of service have changed. Where the customer changes equipment or operation without notifying PG&E, PG&E assumes no responsibility for advising the customer of other rate options available to the customer as a result of the customer's equipment or operation changes. So make sure every time you change operation or equipment to let PG&E know whether-- work with your reps so that they can direct you to the best rate.

So moving on to the rate change rules, so the top portion is for eligible solar customers that are currently on legacy rates. So these customers are able to go from a legacy rate to another applicable legacy rate once every 12 months, per rule 12, section C that I just read. And they can go from a legacy rate to a new rate once, and if they do that, they're going to lose their legacy eligibility status.

So if you are a solar customer and-- [CLEARS THROAT] sorry-- you're exploring new rates, so make sure that if you choose a new rate, basically, you will not be able to go back to a legacy rate. Because as you can see, you're not allowed to do that. And-- sorry, go back. I didn't finish that slide.

So all customers who are defaulted to the new rates can request a rate change once after the default and are not required to wait 12 months. So we defaulted most of our customers in March of 2021, but highly impacted Ag customers will be defaulted this March. And after we default you to a new rate, you don't have to wait 12 months to choose another applicable new rate.

All customers who requested a new rate before the default, whether it was March 1 of 2021 or the coming March 1 of 2022 for highly impacted Ag customers, will be subject to the rule 12, section C, where they are required to stay on their selected new rate for 12 months before they will be allowed to move to a different rate. So basically, if you choose a rate before the default, you have to stay on that rate for 12 months before you can choose another applicable rate. Thank you. I'll hand it [? back to Jeannie. ?]

Thank you. Yes, thank you so much, Alina. I really appreciate that. And thank you all for attending. I know that had a lot of information. I am going to make sure that for everyone who submitted an email that you will receive this. So please take this opportunity, if you have not submitted an email, to put that-- enter that into the Q&A, and we'll be able to get the recording and a copy of this deck-- it will be in a PDF-- sent out to each of you.

And then it will take us a bit of time, because we do have some ADA compliance formatting to do, but then we do intend to get this onto our pge.com website. And I will include a link to that-- it just won't be immediately available. Unfortunately, there is a bit of a lag, but we want to make sure that it's accessible to everybody when we do post that. So it will be also available in the future-- the near future, hopefully-- to, if you want to share that out even further, to people in your company. So-- or with your business or within your family. It's-- however you please.

And so please take a moment on the screen. If you have questions about what we have and you did not have an opportunity for the Q&A to submit it now, you can always, once you receive this deck, call any of these numbers. This information will also be in the email itself.

And with that, I also want to make sure that you know that any questions that we did not publish that you saw a response to, we will actually be responding to those, and it will be embedded in the deck as part of it. So there will be an appendices-- excuse me-- that includes rate tables for both gas and electric. So for anybody who had questions about those specific rate increases or prices and changes-- and also the Q&A. And so-- and it'll have a little bit more, so not everything that was published will also be in there. So please submit any questions you may have that we may not have gotten to and emails.

All right. And with that, I want to thank all of our presenters and all of our attendees for doing a wonderful job and sharing out this large amount of information. I would like to give you back about 15 minutes of your day, and I thank you for taking the time. So I will be going ahead and closing this out. Thank you.