

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION REQUESTING TO INCREASE RATES FOR ENERGY STORAGE PROGRAM (A.18-03-001)

Summary

On March 1, 2018, Pacific Gas and Electric Company (PG&E) filed an application with the California Public Utilities Commission (CPUC) for approval of its 2018 Energy Storage Procurement and Investment Plan. The application includes the following:

- Proposed plan for securing energy storage resources in 2018 and 2019.
- A proposal for energy storage investments that can help maintain and improve the grid; and
- A thermal storage (water heater) program benefitting single family and multi-family homes and small businesses.

While the application is requesting approval for all of the above, only recovery of the thermal storage (water heater) program is being requested in this filing. PG&E is requesting \$6.4 million in rates for the thermal storage (water heater) program. If approved, recovery of costs for this program will begin in 2019 and end in 2025. The increase will cover the administration, marketing, operations and incentives for this program. The CPUC will also review all storage contracts in a public process and decide whether the storage contracts are reasonable.

Requests for the remaining costs will be made in future filings.

Background

As part of the CPUC's Energy Storage Procurement Plan (Assembly Bill 2514), PG&E must secure energy storage resources to meet the state's targets of 580 MW of operational storage. The goals of this program are to reduce greenhouse gas, optimize electricity grid usage and integrate renewable energy resources.

Furthermore, Assembly Bill 2868 requires the three largest California electric utilities, including PG&E, to make proposals for investments and programs to secure additional energy storage resources to provide customer benefits such as energy savings, to reduce dependence on petroleum and to meet air quality standards. These investments and programs will have a focus on the public sector and low income customers.

How will PG&E's application affect me?

Most customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. Based on rates currently in effect, the bill for a typical residential Non-CARE customer using 500 kWh per month would increase from \$111.33 to \$111.34 or 0.01 percent. Actual impacts will vary depending on energy usage.

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

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. Within this category, residential customers will see an increase in rates. On average, DA and CCA customers will see a 0.015 percent increase to rates.

Departing Load customers do not receive electric generation, transmission or distribution services from PG&E. However, they are required by law or CPUC decision to pay certain charges as required. On average, Departing Load customers will see a 0.07 percent increase to rates.

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

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

Pacific Gas and Electric Company
2018 Energy Storage Application (A.18-03-001)
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's filing and exhibits is also available for review at the CPUC's Central Files Office by appointment only. For more information, contact aljcentralfilesid@cpuc.ca.gov or **1-415-703-2045**. PG&E's application (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov.

CPUC process

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

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

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

Stay informed

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

You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

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

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

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

If you are contacting the CPUC, please include the application number (2018 Energy Storage Application; A.18-03-001). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff and will become public record.