

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 19, 2019

PG&E Advice Letter 5379-E-A

Eric Jacobson
Director Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street
San Francisco, CA 94177

Subject: Disposition of Pacific Gas and Electric's Advice Letter regarding Glidepath Rates for Legacy RES-BCT Customers Pursuant to Decision 18-08-013

Dear Mr. Jacobson:

Pacific Gas & Electric Company (PG&E) filed Advice Letter (AL) 5379-E in compliance with Ordering Paragraph (OP) 40 in Decision (D.)18-08-013. AL 5379-E provides a compensation glidepath for the A-6 generation rate for solar customers who: (1) are eligible for grandfathering treatment pursuant to D.17-01-006, and (2) take service under the Renewable Energy Self Generation Bill Credit Transfer (RES-BCT) schedule. The proposed glidepath is intended to ensure that legacy RES-BCT customers receive the same annual benefits as legacy A-6 Net Energy Metering (NEM) customers. PG&E filed a supplemental, AL 5379-E-A, on May 9, 2019. AL 5379-E-A is approved, effective 10/7/2018., which would bring the filing into compliance with D.18.08.013.

Background

On August 9, 2018, the California Public Utilities Commission (CPUC) issued D.18-08-013 on PG&E's Proposed Rate Designs and Related Issues. OP 40 in D.18-08-013 directs PG&E to ensure that legacy RES-BCT customers, as a class, experience no greater percentage annual decrease in their effective benefits than those received by legacy A-6 NEM customers. The decision ordered PG&E to calculate an A-6 generation rate glidepath for legacy RES-BCT customers such that the total generation credit in dollars for those customers declines on an actual basis no more than 6.2% by 2030 relative to the A-6 generation rate in effect on March 1, 2017. The decision directed PG&E to file a tier 2 AL with illustrative rates demonstrating this glidepath.

On September 7, 2018, PG&E filed AL 5379-E in compliance with OP 40, including the glidepath with illustrative rates adopted by D.18-08-013, as demonstrated in Table 1 below.

In its AL, PG&E stated that because the rates will not be implemented until 2020, the glidepath for RES-BCT customers must address adjustments to these rates at the time of implementation. PG&E proposed creating a “shadow” A-6 generation rate that changes with revenue requirement changes on an equal cents per kWh basis consistent with the rules for rate changes between General Rate Cases. PG&E proposed to apply the percentage discount prescribed Table 1 to this “shadow” rate to obtain generation rates applicable to legacy A-6 RES-BCT customers.

Table 1: 2017 GRC Phase II – RES-BCT Compensation Glidepath

	Present Rates ¹	2020	2021	2022	2023
Summer Peak	0.36486	0.35355	0.34978	0.34601	0.34224
Summer Partial Peak	0.12528	0.12140	0.12010	0.11881	0.11751
Summer Off Peak	0.06699	0.06491	0.06422	0.06352	0.06283
Winter Partial Peak	0.09245	0.08959	0.08863	0.08768	0.08672
Winter Off Peak	0.07496	0.07263	0.07186	0.07108	0.07031
<i>Change from Present Rates</i>		-3.1%	-4.1%	-5.2%	6.2%

Protest by the Counties of Santa Clara and San Joaquin (the Counties)

A timely protest to AL 5379-E was filed on September 27, 2018 by the Counties of Santa Clara and San Joaquin (the Counties). The Counties disputed PG&E’s interpretation that the rates must be adjusted at the time of the implementation. The Counties argued that D.18-18-013 does not provide PG&E with the discretion to adjust the 2023 rates for the legacy RES-BCT customer rates that are precisely defined in OP 40, and that the only flexibility provided in OP 40 is limited to the development of illustrative glidepath rates from 2020 to 2023. The Counties requested the following: (1) adoption of the rates for legacy RES-BCT customers set forth in the 2023 column of Table 1 of the AL, and (2) Confirmation from PG&E that the percentages it has proposed to demonstrate compliance with the glidepath rates required in OP 40 are consistent with the TOU Settlement Agreement glidepath for legacy NEM A-6 customers adopted in D.18.08.013.

In its reply to the protest, PG&E disagreed with the Counties’ interpretation of OP 40 but did not oppose the Counties’ request to use the generation rates in Table 1 as the compensation rates for legacy RES-BCT customers without modifications based on changes in the revenue requirement. PG&E also confirmed that the percentage discounts in the glidepath from 2020 to 2023 are derived from the discounts given to legacy NEM customers in the TOU Settlement Agreement.

¹ As of March 1, 2017.

Per Energy Division request, on May 9th, 2019, PG&E filed supplement Advice Letter 5379-E-A to replace the original Advice Letter in its entirety. In the supplement Advice Letter, PG&E provides the glidepath rates that are compliant with OP 40 and resolves the Counties' protest. The supplemental AL states that the rates shown in Table 1 will be used to calculate the generation credits for eligible RES-BCT customers. These rates apply only to the generation credit for eligible A-6 RES-BCT customers.

Disposition

The Counties' protest is effectively moot since PG&E, via its supplemental filing, has agreed with the Counties' request to use the generation rates in Table 1 as the compensation rates for legacy RES-BCT customers without any further adjustments based on future changes in revenue requirement. The protest is therefore rejected, and PG&E AL 5379-E-A is approved.

Please contact Masoud Foudeh at (415) 703-1244 (masoudfoudeh@cpuc.ca.gov) if you have any questions.

Sincerely,



FOR

Edward Randolph, Deputy Executive Director for Energy and Climate Policy/Director, Energy Division.

cc: Paul Phillips, Energy Division

Ann L. Trowbridge, Day Carter & Murphy LLP (attorney for the County of Santa Clara and the County of San Joaquin)



Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

May 9, 2019

Advice 5379-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Glidepath Rates for Legacy RES BCT Customers Pursuant to Decision 18-08-013

Purpose

Pacific Gas and Electric Company (PG&E) submits this supplemental Advice Letter to revise the proposal to comply with Ordering Paragraph 40 of Decision (D.)18-08-013 to provide an A-6 generation rate glidepath for solar customers that are eligible for grandfathered treatment pursuant to D.17-01-006 and take service under the Renewable Energy Self Generation Bill Credit Transfer (RES-BCT) schedule. In this supplemental Advice Letter, PG&E modifies its proposal in accordance with the proposal set forth in the Protest of PG&E Advice 5379-E, Glidepath Rates for Legacy Res-BCT Customers Pursuant to Decision 18-08-013, dated September 27, 2018. This supplemental advice letter replaces the original advice letter in its entirety.

Background

Ordering Paragraph 40 of D.18-08-013 provides:

Pacific Gas and Electric Company (PG&E) must ensure that legacy A-6 Renewable Energy Self Generation Bill Credit Transfer (RES-BCT) customers, as a class, experience no greater percentage annual decreases in their effective benefits than those received by legacy A-6 net energy metering (NEM) customers. PG&E shall calculate an A-6 generation rate glidepath for legacy A-6 RES-BCT customers such that the total generation credit in dollars for those customers (using the data utilized by PG&E in response to data request SantaClaraCnty_006-Q02) declines on an actual basis no more than 6.2% by 2023 when compared to the A-6 generation rate in effect on March 1, 2017. PG&E shall file a Tier 2 advice letter with illustrative rates demonstrating this glidepath no later than 30 days after the effective date of this decision.

In Advice Letter 5379-E, dated September 7, 2018, PG&E submitted a proposal for setting the generation rate credit for eligible RES-BCT customers. The approach submitted set forth illustrative rates and a method for adjusting the rates going forward to take into

consideration generation revenue requirement and rate changes. On September 27, 2018, the Counties¹ submitted a protest to that Advice Letter indicating that the generation rate credit PG&E proposed should be fixed and should not be subject to changes in overall revenue requirement over time. In PG&E's response dated October 4, 2018, PG&E stated that it did not agree with the Counties' interpretation of OP 40, but that it was not opposed to the Counties' request to make the generation rates in Table 1 of the Advice Letter 5379-E be the compensation rates for legacy A-6 RES-BCT customers without modification for changes in revenue requirement. PG&E further requested the Commission approve Advice Letter 5379-E with the modification proposed by the Counties. The Energy Division has requested that PG&E supplement Advice Letter 5379-E to make that change.

Accordingly, in Table 1 below, PG&E has provided the glidepath rates that are compliant with OP 40 and the Counties' request. The glide path rates are consistent with overall rate levels effective on March 1, 2017 and provide percentage discounts in the glidepath from 2020 to 2023 that are derived from the discounts given to the legacy NEM A-6 customers in the Settlement Agreement authorized in D.18-08-013. Legacy rates for solar customers that are grandfathered will not be implemented until rates with new TOU periods are mandatory, which is currently expected for commercial and industrial customers in November 2020. Accordingly, glide path rates begin in 2020 and transition to values in 2023. Upon implementation, and in each Annual Electric True Up Advice Letter of the transition plan, the rates shown in Table 1 will be used to calculate the generation credits for eligible RES BCT customers. These rates apply only to the calculation of the generation credit for eligible A-6 RES-BCT customers. The rate for load served under Schedule A-6, including for legacy customers, will change based on the changes in revenue requirement, as provided for grandfathered A-6 customers in the Settlement approved by D.18-08-013.

Table 1
2017 GRC Phase II: RES-BCT Compensation Glidepath

	Present Rates (3/1/17)	2020	2021	2022	2023
Summer Peak	0.36486	0.35355	0.34978	0.34601	0.34224
Summer Partial Peak	0.12528	0.12140	0.12010	0.11881	0.11751
Summer Off Peak	0.06699	0.06491	0.06422	0.06352	0.06283
Winter Partial Peak	0.09245	0.08959	0.08863	0.08768	0.08672
Winter Off Peak	0.07496	0.07263	0.07186	0.07108	0.07031

Change from Present Rates	-3.1%	-4.1%	-5.2%	-6.2%
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¹ The County of Santa Clara and the County of San Joaquin.

Protests

PG&E asks that the Commission, pursuant to GO 96-B, General Rule 7.5.1, maintain the original protest and comment period designated in Advice 5379-E and not reopen the protest period as the information in this advice letter reflects the direction of Energy Division.

Effective Date

Pursuant to D.18-08-013, OP 40 and General Order 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation, which is the same Tier designation as requested in Advice 5379-E. This advice letter will become effective concurrent with original Advice 5379-E, which is October 7, 2018.

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 A.16-06-013 and R.15-12-012. 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

cc: Service List A.16-06-013 and R.15-12-012
Ann L. Trowbridge, Day Carter & Murphy LLP
Masoud Foudeh, California Public Utilities Commission



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Yvonne Yang

Phone #: (415)973-2094

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: OXY1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5379-E-A

Tier Designation: 2

Subject of AL: Supplemental: Glidepath Rates for Legacy RES BCT Customers Pursuant to Decision 18-08-013

Keywords (choose from CPUC listing): Compliance, Self Generation, Solar

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.18-08-013 and D.17-01-006

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:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 10/7/18

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
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Telephone (xxx) xxx-xxxx: (415)973-2093
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Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Evaluation + Strategy for Social	
Anderson & Poole	Innovation	
	GenOn Energy, Inc.	SCE
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz &	SDG&E and SoCalGas
BART	Ritchie	
	Green Charge Networks	SPURR
Barkovich & Yap, Inc.	Green Power Institute	San Francisco Water Power and Sewer
P.C. CalCom Solar	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	ICF	Sempra Utilities
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
	Keyes & Fox LLP	Sunshine Design
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Casner, Steve	Linde	TerraVerde Renewable Partners
Cenergy Power	Los Angeles County Integrated Waste	Tiger Natural Gas, Inc.
Center for Biological Diversity	Management Task Force	
City of Palo Alto	Los Angeles Dept of Water & Power	TransCanada
	MRW & Associates	Troutman Sanders LLP
City of San Jose	Manatt Phelps Phillips	Utility Cost Management
Clean Power Research	Marin Energy Authority	Utility Power Solutions
Coast Economic Consulting	McKenzie & Associates	Utility Specialists
Commercial Energy		
County of Tehama - Department of Public	Modesto Irrigation District	Verizon
Works	Morgan Stanley	Water and Energy Consulting
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Crown Road Energy, LLC	NRG Solar	Western Manufactured Housing
Davis Wright Tremaine LLP		Communities Association (WMA)
Day Carter Murphy	Office of Ratepayer Advocates	Yep Energy
	OnGrid Solar	
Dept of General Services	Pacific Gas and Electric Company	
Don Pickett & Associates, Inc.		
Douglass & Liddell		