PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

June 10, 2019

Advice Letter 5527-E, 5527-E-A, 5527-E-B

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
San Francisco, CA 94177

Subject: Implementing the 2019 Energy Resource Recovery Account (ERRA) Forecast Revenue Requirement in Compliance with Decision 19-02-023

Dear Mr. Jacobson:

Energy Division approves Advice Letter 5527-E and 5527-E-B

Energy Division partially approves PG&E's advice letter 5527-E seeking to implement the 2019 Energy Resource Recovery Account (ERRA) Forecast Revenue Requirement in compliance with Decision 19-02-023, but rejects the Brown Power True-Up calculation presented in AL 5527-E. Energy Division rejects 5527-E-A which does not implement the Brown Power True-Up in compliance with Decision 19-02-023. Energy Division Approves 5527-E-B as filed. These approvals are effective June 1, 2019.

Sincerely,

Edward Randolph

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

cc: Tim Lindl (tlindl@kfwlaw.com)
Yvonne Yang (PGETariffs@pge.com)
Energy Division Tariff Unit (edtariffunit@cpuc.ca.gov)
Franz Cheng, CPUC Energy Division (Franz.Cheng@cpuc.ca.gov)
Service List for R. 17-06-026

Appendix: Energy Division Technical Review and Findings

Background

On February 21, 2019 the California Public Utilities Commission (CPUC) issued Decision (D.) 19-02-023 approving Pacific Gas and Electric's (PG&E) 2019 Forecast Energy Resource Recovery Account Application (ERRA).

On April 18, 2019, PG&E filed AL 5527-E pursuant to D.19-02-023 implementing the 2019 ERRA Forecast revenue requirement and a true-up of the 2018 Power Charge Indifference Amount (PCIA) to reflect 2018 brown power revenues. Specifically, the CPUC adopted a 2019 electric procurement revenue requirement of $2.9 billion, comprised of $1.6 billion for ERRA, $1 billion for PCIA (less the amount of the brown power true-up), $80 million for ongoing CTC and $131 million for Cost Allocation Mechanism (CAM).

Implementation of 2018 Brown Power True-Up

Ordering Paragraph (OP) 5 of D.19-02-023 ordered PG&E to include a true-up of the 2018 brown power market revenues for PCIA eligible resources. Specifically, the decision directed PG&E to calculate the indifference amount using the adopted 2018 workpapers from the 2018 Forecast ERRA proceeding and replace the brown power benchmark by applying 2018 actual market prices to actual PCIA-eligible generation deliveries.

In AL 5527-E PG&E provided a calculation of the 2018 brown power true-up that includes 2018 brown power costs and revenues, stating "OP 5 requires that a 2018 brown-power true-up be performed 'in accordance with D.18-10-019' (the 'PCIA Decision')." PG&E goes on to assert the"2019 ERRA Forecast Decision therefore ordered PG&E to implement a true-up consistent with the methodology adopted in D.18-10-019, which approved a full true-up of year-end brown power under- or over-collections, including generation resource cost and net California Independent System Operator (CAISO) market revenues, in vintage sub-accounts."

In 5527-E, PG&E derived the incremental 2018 indifference amounts on a per vintage basis to calculate 2018 refund rates using the top 100-hour revenue allocation and rate design, which was the rate design utilized in the calculation of 2018 PCIA rates. The resulting refund rates are designed to be added to the 2019 PCIA rates for the 2009-2017 vintage years. For the 2018 vintage, PG&E calculated the overpayment amount in 2018 by multiplying the refund rate by the actual sales for the vintage, effectively pro-rating the over-collected amount based on the actual amount of sales contributing to the 2018 over-collection. PG&E cites the ERRA Forecast Decision, where it, in turn, cites the PCIA decision stating a "true-up mechanism for the Brown Power Index to reflect actual values realized in market transactions for the subject year should be adopted to ensure that bundled and departing load customers pay equitably (i.e., pro rata) for non-RA, non-RPS PCIA-eligible resources."[1] PG&E reasons that a pro-rated methodology ensures that all customers equitably benefit from and are indifferent to the brown power true-up.

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[1] 2019 ERRA Forecast Decision, p. 21 (citing D.19-02-023 at COL 16).

Protest of AL 5527-E

On May 8, 2019, a group of Community Choice Aggregators (Joint CCAs)[2] protested PG&E 5527-E. Joint CCAs protested 5527-E on the grounds that it 1) "Includes components and follows methodologies not authorized by D.19-02-023;" 2) "Commits material errors when calculating both the Incremental 2018 Indifference Amount and the resulting refund rate;" 3) "Results in unjust and unreasonable rates;" and 4) "Inappropriately requests the adoption of new policy in a Tier 2 advice letter process intended to address 'ministerial' actions for which hearings are not required."[3]

In addressing 1) above, Joint CCAs note,

> PG&E's approach to calculating the revised 2018 Indifference Amount departs substantially from D.19-02-023 by including actual generation costs and actual quantities to calculate a revised version of Total Portfolio Costs. Second, PG&E uses actual quantities for calculating both the brown benchmark *and* the green benchmark. […] Third, PG&E reports a cumulative brown power price for each vintage in an aggregated, non-resource specific manner. […] As a result, resources included in the actual market price calculation for non-RPS power are from all resource types, including RPS resources.[4]

In sum, Joint CCAs argue PG&E's approach to the revised indifference amount unjustly benefits bundled ratepayers at the expense of departed load customers.

Joint CCAs further maintain PG&E should not have included costs in its calculation of the revised indifference amount, noting that Energy Division "recently rejected the same argument from SCE." [5] Joint CCA's argue that PG&E's ERRA Decision likewise does not allow the Advice Letter's approach.

The Joint CCAs protest PG&E's pro-ration of the true-up to the 2018 vintage. In short, "PG&E did not apply the cumulative 2018 true-up rate to the 2018 vintage sales forecast as they did for all other vintages, PG&E multiplied the cumulative 2018 true-up rate by the ratio of actual 2018 vintage sales to forecasted 2018 vintage sales."[6] The Joint CCAs surmise that this treatment of the 2018 vintage is motivated, in part, by the timing of load departures during 2018. They argue that the pro-ration proposed by PG&E comprises new methodology that "should be rejected on both substantive and procedural grounds."

PG&E cites Conclusion of Law (COL) 16 in D.18-10-019 which states "a true-up mechanism for the Brown Power Index to reflect actual values realized in market transactions for the subject year should be adopted to ensure that bundled and departing load customers pay equitably (i.e., pro rata) for […] eligible resources."[7] Joint CCAs argue referencing COL 16 to justify allocating a refund rate to a specific vintage year is an improper application of COL 16 because the language included in COL16 was specifically in reference to the broader brown power true-up as a whole.

Finally, Joint CCAs posit that PG&E had a substantial amount of self-scheduled ancillary services that were excluded from the total portfolio value. Joint CCAs argue that excluding self-scheduled ancillary services subsidizes bundled customers at the expense of departed customers.

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[2] I'd list CCAs here
[3] Joint CCA Protest of PG&E AL 5527-E, p. 2.
[4] *Id.* p.5-6.
[5] *Id.* p.7.
[6] *Id.* p. 11.
[7] D.18-10-019 Conclusion of Law 16.

PG&E Reply to Joint CCA Protest of Advice Letter 5527-E

On May 15, 2019 PG&E replied to the protest of the Joint CCAs. In its reply, PG&E argues that both the PCIA decision and the ERRA Forecast decision authorize a true-up of both costs and revenues. PG&E suggests that the intent of both decisions was to minimize the cost shift between customers and improve accuracy by adopting a brown power true-up for 2019 and that excluding costs from the true-up would result in a less accurate version of the true-up being performed.

PG&E argues against the Joint CCA's assertion that it incorrectly calculated the green benchmark, stating that applying the 2018 market prices to actual PCIA-eligible deliveries for both the Brown Portfolio and the Green Portfolio when performing the brown power true-up is a necessary step. PG&E notes that, "consistent with OP 5, PG&E applied actual 2018 market prices to actual PCIA deliveries, which include resources in both the Brown Portfolio and the Green Portfolio."[8]

PG&E contests the Joint CCAs' protest of the 2018 vintage treatment, arguing that "PG&E's approach […] is a fair and reasonable approach that minimizes cost shifting, while the Joint CCAs' approach would give a windfall to 2018 vintage departed load customers and inappropriately shift costs onto bundled customers. PG&E notes that vintages are not based on a calendar year, but rather a fiscal year beginning July 1 and ending June 30. Accordingly, PG&E calculated the overpayment amount for the 2018 departed load customers based on actual sales.[9] PG&E argues that 2018 vintage customers only paid the PCIA during the last 6 months of the year and some may have only paid the PCIA for as little as one month depending on the date of departure.

Finally, PG&E responds to the Joint CCA protest of the self-scheduled of ancillary services being excluded from the calculation of the total portfolio value. While Joint CCAs assert that PG&E had a "substantial amount" of self-scheduled ancillary services, PG&E reports that just .17 percent of total awards were self-scheduled during the early part of 2018 for operational constraints on two units.

Supplemental 5527-E-A Implementing the 2018 Brown Power True-Up

On May 15, 2019, PG&E filed 5527-E-A, pursuant to an Energy Division request, to provide a version of the brown power true-up calculation that did not include an update of generation costs. In other words, the alternate calculation contains a revenue-only update to the PCIA calculation presented in AL 5527-E. The remainder of the calculation is unchanged from what is presented in AL 5527-E.

PG&E believes the methodology presented in the supplemental advice letter is contrary to both the PCIA Decision and the ERRA Forecast Decision, relying on page 141 of the PCIA Decision, which discusses a proposal in which "only the brown power costs are trued up." Further, PG&E claims that the PCIA Decision "adopts the [aforementioned] proposal."[10] Therefore, PG&E argues, the brown power true-up must include a true up of generation costs.

Protest of PG&E 5527-E-A

On May 20, 2019, Joint CCAs protested PG&E supplemental 5527-E-A on the grounds that it 1) commits a mathematical error when applying line loss factors; 2) excludes Competition Transition Charge (CTC) components of the PCIA calculation; 3) the revised brown power true-up continues to pro-rate the 2018 vintage; and 4) PG&E continues to argue that both the PCIA Decision and the ERRA Forecast Decision permit and require the true-up of costs as part of the brown power true-up.

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[8] PG&E reply to Joint CCA Protest of AL 5527-E, p. 5.
[9] *Id.* p. 7.
[10] PG&E 5527-E-A, p. 3.

Joint CCAs contend that PG&E committed a mathematical error in its application of line loss factors to the actual generation amount. Joint CCAs argue that PG&E scales output at the generator down by a .94 multiplier to represent output at the meter. However, it then grosses the actual market value back up by a line loss factor of 1.06, which is mathematically incorrect. Joint CCAs request that PG&E file a supplement to correct this mathematical error.[11]

Additionally, Joint CCAs protest the exclusion of CTC resources from the brown power true-up calculation. Joint CCAs argue that SCE did not exclude CTC from its calculation, nor does ordering paragraph 5 in PG&E's ERRA Forecast Decision permit or order the exclusion of CTC from the calculation of the PCIA. Ultimately, Joint CCAs argue that the exclusion of CTC from the 2018 brown power true up creates an inconsistency between the implementation of the ERRA Forecast Decision's ratemaking changes, which PG&E applied to the CTC, and the ERRA Forecast Decision's brown power true-up implementation, from which PG&E has excluded the CTC.[12]

Joint CCAs again protest PG&E's proposed pro-ration of the 2018 vintage. The protest includes a new argument against that the Commission has "never approved or even considered PG&E's approach previously, meaning its adoption is inappropriate for a Tier 2 Advice Letter process."[13] Further, PG&E's proposed policy would improperly refund certain departed load customers (those who departed later in the year) at the expense of those who departed earlier in the year.

Joint CCAs note that contrary to PG&E's assertions that the true up should include costs, the ERRA Forecast decision cites to page 141 of the PCIA decision for the sole purpose of limiting the true up to brown power. Finally, Joint CCAs reiterate their argument that Energy Division already rejected a similar proposal from SCE.

PG&E Reply to Joint CCA Protest of 5527-E-A

On May 22, 2019 PG&E filed a timely reply to the Joint CCA protest of AL 5527-E-A. PG&E begins by responding "that its treatment of line losses and the CTC components of the indifference calculation in AL 5527-E-A is the same as its treatment in AL 5527-E, submitted on April 18, 2019. […] Because Joint CCAs did not raise either issue in their initial protest, dated May 8, 2019, they have forfeited their right to raise them here."[14]

PG&E further argues that Energy Division should reject the Joint CCAs protest regarding Line Losses because PG&E complied with the standard workpaper template, and the arithmetic error is inherent to the equation. PG&E, in fact, concurs with Joint CCAs that there is a mismatch between the .94 and 1.06 line loss factors, but notes that the equation built into the standard workpapers requires PG&E to calculate line losses in this way. PG&E cites a strict reading of the 2019 ERRA Forecast decision to state that "the decision did not direct PG&E to apply 2018 market prices to CTC-eligible resources."[15] PG&E argues that it complies with D.19-02-023 by focusing the true-up on PCIA-eligible resources, and removing CTC from the equation.

[11] Joint CCA Protest of PG&E 5527-E-A, p.4.
[12] *Id.* p. 6.
[13] *Id.* p. 7.
[14] PG&E Reply to Joint CCA Protest of PG&E 5527-E-A, p. 1-2.
[15] *Id.* p.2-3.

Supplemental 5527-E-B Implementing the 2018 Brown Power True-Up

On June 5, 2019, PG&E filed supplemental 5527-E-B, pursuant to Energy Division's request, removing the *pro rata* adjustment from the 2018 vintage rate calculation. PG&E additionally included the actual 2019 generation rate ratios rather than the illustrative forecast ratios it had been using previously pursuant to standard PCIA calculation practice. Because PG&E expects that the 2019 ERRA Forecast will be implemented by July 1, PG&E has included these actual generation rate ratios. PG&E notes that no changes have been made to the calculation of the brown power indifference amount as presented in AL 5527-E-A.[16] The supplement was not protested.

Discussion and Disposition of PG&E 5527-E, 5527-E-A, 5527-E-B

Pursuant to D.19-02-023, PG&E requests to implement the 2019 ERRA Forecast revenue requirement and a true-up of the 2018 Power Charge Indifference Amount (PCIA) to reflect 2018 brown power revenues. Specifically, the CPUC adopted a 2019 electric procurement revenue requirement of $2.9 billion, comprised of $1.6 billion for ERRA, $1 billion for PCIA (less the amount of the brown power true-up), $80 million for ongoing CTC and $131 million for CAM. The ERRA Revenue Requirement portion of PG&E 5527-E was not protested and complies with the decision. The ERRA Revenue requirement proposed in 5527-E by PG&E is approved.

Far more complex is the issue of the 2018 Brown Power True-Up. In brief, the brown power true-up calculation presented in 5527-E violated D.19-02-023 most notably by including actual costs in the true-up calculation. Energy Division rejected a similar presentation of the brown power true-up calculation[17] in its non-standard disposition letter approving Southern California Edison's (SCE) ERRA implementation Advice Letter 3972-E-A. PG&E was ordered to update the market value of its energy portfolio for 2018 but was neither permitted nor instructed to update any of its generation costs.

Because PG&E included actual costs in its initial calculation of the brown power true-up, Energy Division requested that PG&E supplement AL 5527-E on May 7, 2019, removing updates from the cost component of the PCIA brown power true up for 2018, and including only what D.19-02-023 ordered in OP 5. Energy Division specifically referenced SCE's AL 3972-E-A Appendix C as an example of a compliant methodology of the brown power true-up ordered in the ERRA Forecast decision.[18] PG&E partially complied with Energy Division's request, providing a supplement, 5527-E-A that removed changes to the costs associated with PCIA-eligible resources.

In their initial protest of PG&E 5527-E, Joint CCA's primarily protested the update of generation costs in the calculation of the brown power true-up. As described above, Joint CCAs also protested the application of actual generation quantities to the 2018 vintage, which PG&E included on the grounds that "vintages are not based on the calendar year, but rather are based on the year starting on July 1 and through the following year until June 30."[19] Customers in the 2018 vintage could not have been departed for a term longer than 6 months[20] during the record period and PG&E's application of actual generation quantities to the 2018 PCIA vintage was intended to ensure that customers paid their pro-rata share of the PCIA, pursuant to D.18-10-019 Conclusion of Law 16. Joint CCAs protested the pro-ration of the 2018 vintage on both substantive and procedural grounds.

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[16] PG&E 5527-E-B, p. 3.
[17] SCE 3972-E-A Appendix B was rejected by Energy Division in the Non-Standard Disposition Letter Approving SCE 3972-E-A and Appendix C.
[18] Ordering paragraph 5 of D.19-02-023 and D.19-02-024 are nearly identical in their instructions for conducting the brown power true-up.
[19] PG&E reply to Joint CCA Protest of AL 5527-E, p. 7.
[20] ERRA runs the January 1 to December 31 calendar year.

Energy Division appreciates the commitment of both PG&E and the Joint CCAs to the pursuit of equity. PG&E's proposed pro-ration of the "current" vintage by applying actual quantities bears further discussion in Rulemaking (R.) 17-06-026 phase 2, which is ongoing. However, Energy Division agrees that the application of actual quantities to the 2018 vintage comprises new methodology and is not appropriate in a Tier 2 Advice Letter. Further, the Commission previously rejected PG&E's proposal to use vintage-specific billing determinants in D.19-02-023; applying actual generation quantities to the 2018 vintage directly violates D.19-02-023 OP 4 and Finding of Fact 9 which states the "calculation of the PCIA rate shall follow as it has in past ERRA proceedings by allocating the cumulative vintaged Indifference Amount to each rate group using the allocation factors followed by dividing by the forecasted system sales for the forecast year."[21] Because PG&E elected to include the pro-ration of the 2018 vintage in its supplement, 5527-E-A, Energy Division requested an additional supplement removing the application of actual generation quantities and instructing PG&E to apply the complete 2018 vintage true-up rate to all customers in the vintage.

Two other issues present in PG&E 5527-E, 5527-E-A and 5527-E-B were protested by the joint CCAs: a mathematical error in the application of line losses to the indifference amount calculation and the removal of CTC eligible resources from the calculation in the total portfolio costs.

First, as PG&E describes in its response to the Joint CCA protest of 5527-E-A, the mismatch of the application of line losses occurs within the standard template. PG&E appropriately applies the .94 line loss adjustment to generation values at the generator to describe the amount of power delivered at the customer meter. Subsequently, PG&E applies the 1.06 line loss factor as ordered by D.17-08-026. Though there is a mismatch, and this likely constitutes an arithmetic error, PG&E has performed the calculation as has been ordered by the Commission. Energy Division strongly encourages both parties to address this line loss issue in R.17-06-026 Phase 2.

Finally, the Joint CCAs protested the removal of CTC from the calculation of the brown power true-up, contending that Energy Division ordered PG&E to reinsert CTC resources into the calculation of the brown power true-up. However, contrary to the Joint CCA assertion, Energy Division did not order PG&E to reinsert CTC. PG&E is correct that the Commission ordered it to use "actual PCIA-eligible generation deliveries and realized Ancillary Services revenues…" of which CTC is not. Energy Division appreciates PG&E's commitment to a strict read of the 2019 ERRA Forecast decision, and the importance of implementing what the Commission has ordered. Therefore, CTC should be removed from the calculation as PG&E has filed. Energy Division rejects Joint CCA's protest of the removal of CTC.

Therefore, Energy Division partially approves AL 5527-E where it discusses the 2019 ERRA Forecast Revenue Requirement effective June 1, 2019, but rejects the brown power true-up calculation presented in 5527-E. Energy Division rejects PG&E 5527-E-A; the calculation of the brown power true-up presented in the supplement does not comply with D.19-02-023. Energy Division approves AL 5527-E-B effective June 1, 2019, the calculation of the 2018 brown power true-up presented in that supplement complies with D.19-02-023.

[21] D19-02-023, OP 4.

Pacific Gas and Electric Company®

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June 5, 2019

Advice 5527-E-B
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: **Second Supplemental: Implementing the 2019 Energy Resource Recovery Account (ERRA) Forecast Revenue Requirement in Compliance with Decision 19-02-023**

Purpose

At the request of the Energy Division of the California Public Utilities Commission (Commission or CPUC), Pacific Gas and Electric Company (PG&E) hereby submits a second supplement to its compliance advice letter pursuant to Decision (D.)19-02-023 (the "2019 ERRA Forecast Decision").

Background

On February 21, 2019, the CPUC issued D.19-02-023 approving PG&E's 2019 ERRA Forecast Application (A.18-06-001), with modifications. In Ordering Paragraph (OP) 1 of the 2019 ERRA Forecast Decision, the Commission: (1) adopted a 2019 electric procurement revenue requirement of $2,907.4 million, comprising of $1,653.2 million for ERRA; $80.3 million for the Ongoing Competitive Transition Charge (Ongoing CTC); $1,042.9 million for the Power Charge Indifference Amount (PCIA), less the amount of the brown power true-up; and $131.1 million for the Cost Allocation Mechanism (CAM), and (2) approved PG&E's 2019 electric sales and peak load forecasts.

The 2019 ERRA Forecast Decision also required PG&E to make further modifications to its 2019 ERRA Forecast proposals. Specifically, OP 2 required PG&E to file a Tier 2 advice letter within 15 days, including tariff sheets,[1] and OP 3 allows for updates to the

[1] In a March 12, 2019 letter to the Executive Director of the CPUC (Extension Request), PG&E requested a 30-day extension to comply with OPs 2 and 5 of the 2019 ERRA Forecast Decision. PG&E's March 12, 2019 Extension Request is available at: http://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=556196. PG&E's request recognized that the Commission's direction to include a true-up of the 2018 forecast year for brown power required first-of-a-kind calculations ". . . in the absence of a pre-existing accounting

(continued next page)

balancing account balances consistent with the process used in the Annual Electric True-up (AET). OP 4 ordered PG&E to calculate PCIA rates using approved allocation factors and forecasted system sales. Finally, OP 5 ordered PG&E to true-up the brown power value included in the indifference calculation used to determine PCIA rates, commencing with the 2018 subject year.

On April 18, 2019, PG&E requested approval in Advice 5527-E to implement the 2019 ERRA Forecast revenue requirement, including an update to balancing accounts based on recorded end-of-year balances, the use of forecasted 2019 system sales to calculate Ongoing CTC and PCIA rates, and a true-up of the 2018 PCIA rates to reflect 2018 brown power costs and revenues.

On May 15, 2019, PG&E provided a supplemental analysis that contains a revenue-only update to the PCIA calculation presented in Advice 5527-E and removes the cost component of the PCIA brown power true up for 2018. PG&E's Advice 5527-E-A was submitted as PG&E's version of the PCIA calculation for which Southern California Edison Company (SCE) included as Appendix C in their advice letter complying with D.19-02-024.[2] In the alternate calculation, which was developed at the request of the CPUC's Energy Division, PG&E produced a revenue-only update to the PCIA calculation that removes the cost component of the PCIA brown power true up for 2018. This was achieved by replacing the 2018 actual Total Portfolio costs on line 1 of AL 5527-E, Appendix B, Exhibit 4, with the 2018 forecasted Total Portfolio Costs from the 2018 PCIA template approved in D.18-01-009. The remainder of the calculation methodology is unchanged from that presented in Advice 5527-E.

Discussion

In this second supplement, PG&E calculates the 2018 brown power true-up "refund rates" as it did in prior advice letter submittals, *except* PG&E does not make any *pro rata* adjustment to the 2018 vintage rates. Rather, PG&E applies the same methodology as used for the 2009 through 2017 vintages. The extra step of applying actual sales to derive the 2018 vintage refund rate and all related adjustments have been eliminated from the 2018 brown power refund rate calculations. As such, the 2018 vintage refund rate is the same as the 2017 vintage refund rate.

PG&E is also updating the generation rate ratios in the 2019 PCIA rate calculation for 2019 sales. In the two prior advice letter filings, PG&E had used generation rate ratios based on 2018 sales for its illustrative PCIA rates, with the intention that the sales would be updated when rates were implemented. Given the timing between this second

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method for trueing-up 2018 brown power costs and revenues." On March 18, the Energy Division granted PG&E's extension request to file its advice letter on April 18, 2019.

[2] *See* SCE's Advice 3972-E, Appendix C, in which actual 2018 market prices are trued up to actual PCIA-eligible generation deliveries and realized Ancillary Services revenues, but the true-up excludes costs.

supplement and the planned July 1 implementation date, PG&E is making this update now. Neither the total 2019 PCIA RRQ nor the total refund from the brown power true-up to departed load customers changes from the generation rate ratio update.

No changes have been made to the calculation of the brown power indifference amount as presented in Advice 5527-E-A. With the change to the 2018 brown power true-up refund rate calculation described above, the amount of the PCIA refund related to the brown power true-up is approximately $79 million as shown in Table 1. This amount represents a cost shift to bundled customers. PG&E provided the additional calculations solely in response to Energy Division's requests.

TABLE 1
SUMMARY OF CHANGES BETWEEN
PG&E'S ADVICE 5527-E-B, 5527-E-A, AND 5527-E
($ 000)

Line No.	Category	(A) Advice 5527-E-B	(B) Advice 5527-E-A	(C) Advice 5527-E	(A) – (C) Difference
1	CAISO Market Revenues	$2,102,527	$2,102,527	$2,102,527	$0
2	Portfolio Cost (a)	$5,133,983	$5,133,983	$5,187,953	($53,970)
3	Change in the Indifference	($169,479)	($169,479)	($114,894)	($54,585)
4	2018 PCIA Refund to Departed Load	$79,170	$55,076	$36,327	$42,843

(a) Excludes the CTC resource costs.

Exhibits Accompanying this Supplemental Advice Letter

In support of this second supplemental advice letter, PG&E includes the following appendices in Advice 5527-E and 5527-E-A:

Appendix B: Calculation of the change in PCIA indifference amounts by vintage resulting from the 2018 brown power true up (see tabs labeled "Exhibits 1-4" submitted in 5527-E-A).[3]

Appendix C: Revised workpapers supporting calculation of the PCIA indifference amounts by vintage; and

[3] As noted above, PG&E is not making any further change to the brown power true-up calculation. As such, Appendix B to Advice 5527-E-B is identical to Appendix B to Advice 5527-E-A.

Appendix D: Revised comparison of the proposed 2019 average generation rates for bundled customers, ongoing CTC rates, PCIA rates, and new system generation charge rates with current 2018 rates.

These revised appendices in Excel format have been provided to the CPUC's Energy Division and the service list, and are also available upon request by emailing PGETariffs@pge.com and referencing PG&E's Advice 5527-E-B.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than June 7, 2019, which is 2 business days after the date of this submittal. The shortened protest period was requested by the CPUC Energy Division. 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 B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
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).

Effective Date

PG&E requests that this Tier 2 advice letter become effective immediately, in order to be consolidated with other potential PG&E rate changes on July 1, 2019.[4]

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.18-06-001. 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 submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/
Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Tim Lindl, Counsel for Joint Community Choice Aggregators
Franz Cheng, CPUC Energy Division
Ehren Seybert, CPUC Energy Division
David Zizmor, CPUC Energy Division
Service List A.18-06-001

[4] PG&E notes that if there are other revenue requirement or rate changes not known at this time but approved prior to the time PG&E implements the 2019 ERRA, the final rates shown in the accompanying pro forma tariffs may also change.

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:
- [x] ELC
- [ ] GAS
- [ ] WATER
- [ ] PLC
- [ ] HEAT

Contact Person: Yvonne Yang
Phone #: (415)973-2094
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: Yvonne.Yang@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5527-E-B Tier Designation: 2

Subject of AL: Second Supplemental: Implementing the 2019 Energy Resource Recovery Account (ERRA) Forecast Revenue Requirement in Compliance with Decision 19-02-023

Keywords (choose from CPUC listing): Compliance

AL Type: [ ] Monthly [ ] Quarterly [ ] Annual [x] One-Time [ ] Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:
Decision 19-02-023

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 [x] 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 [x] No

Requested effective date: 6/5/19 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:

Service affected and changes proposed[1]: N/A

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

[1]Discuss in AL if more space is needed.

Clear Form

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
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

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

Clear Form

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

AT&T
Albion Power Company
Alcantar & Kahl LLP

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
P.C. CalCom Solar
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
County of Tehama - Department of Public Works
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

Downey & Brand
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Engineers and Scientists of California
Evaluation + Strategy for Social Innovation
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Charge Networks
Green Power Institute
Hanna & Morton
ICF
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc. Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions

SCE
SDG&E and SoCalGas

SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Utilities
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists

Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy