

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



January 28, 2020

**Advice Letter 5726-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Correction of Self Generation Incentive Program Revenue Requirement  
Allocation in Electric Rates**

Dear Mr. Jacobson:

Advice Letter 5726-E is effective as of February 1, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

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

December 20, 2019

**Advice 5726-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Correction of Self Generation Incentive Program Revenue  
Requirement Allocation in Electric Rates****Purpose**

Pacific Gas and Electric Company (PG&E) submits this Tier 1 advice letter to inform the California Public Utilities Commission (Commission or CPUC) of an error recently discovered in PG&E's rates related to the allocation of the Self Generation Incentive Program (SGIP) revenue requirement. PG&E plans to implement a correction to the allocation along with the 2020 Annual Electric True-up (AET) rate change which is expected to occur on March 1, 2020.

**Background**

The SGIP allocation factors that PG&E implemented in electric rates on March 1, 2019, were recently found to be in error. The final approved factors for 2019 were the result of several revisions that took place over the course of two years, starting in 2016.

- 8/22/2016 PG&E submits Advice 3749-G/4893-E, supplemented on September 30, 2016 (Advice 3749-G-A/4893-E-A), with revised SGIP allocation factors.
- 4/26/2018 Resolution E-4926 regarding Advice 3749-G-A/4893-E-A is issued. The resolution required modifications to PG&E's submitted allocation factors and required those factors (both gas and electric) to be filed in the then-pending 2017 GRC Phase II proceeding.
- 5/18/2018 PG&E files revised allocation factors in Phase II (Application (A.)16-06-013).
- 5/18/2018 Energy Division approves Advice 3749-G/4893-E, effective May 16, 2018, per Resolution E-4926 Ordering Paragraph 1.

8/17/2018 Commission approves the allocation factors filed in Phase II (Decision (D.)18-08-013), to be implemented with the initial rate change required by that Decision.

In summary, although PG&E's Advice 4893-E was approved in May 2018, the revised SGIP allocation factors that were submitted in PG&E's 2017 GRC Phase II case and approved in August 2018 are the correct factors that should have been used for 2019.

On November 19, 2018, PG&E submitted Advice 5429-E with revisions to its electric rates to implement the initial rate changes pursuant to D.18-08-013 along with illustrative rates to be implemented in the 2019 AET. In that advice submittal, PG&E inadvertently used the SGIP allocation factors from Advice 4893-E, rather than the factors filed in its Phase II case. And, on March 1, 2019, PG&E implemented those incorrect factors pursuant to its 2019 AET (Advice 5376-E-A). The overall SGIP revenue requirement is approximately \$60 million.

	Current (Advice 4893-E-A)	Correct (A.16-06-013)
Residential	10.4%	2.0%
Small L&P	10.4%	2.8%
Medium L&P	5.5%	2.8%
E-19	37.2%	41.4%
Streetlights	0.0%	0.0%
Standby	0.2%	0.8%
AG	1.3%	5.8%
E-20	35.0%	44.5%
Total	100.0%	100.0%

### **Plan for Correction**

In its upcoming 2020 AET, PG&E will implement new SGIP allocation factors for 2020. PG&E proposes to implement adjustments to those factors to correct the misallocation from the period that incorrect factors were in place in rates. Assuming a March 1, 2020 implementation for AET, the illustrative example below shows an adjustment to the SGIP allocation for 10 months (March 1, 2020 to December 31, 2020) to correct for 12 months when incorrect factors are in place (March 1, 2019 to February 28, 2020).

	Preliminary 2020 SGIP Factors	Preliminary 2020 SGIP Factors with Correction Adjustment	Revenue Impact of Adjustment  (in millions)	Illustrative Adjustment Rate
Residential	25.7%	15.6%	(\$5.1)	(\$0.00022)
Small L&P	3.2%	-5.9%	(\$4.5)	(\$0.00066)
Medium L&P	2.3%	-1.0%	(\$1.6)	(\$0.00022)
E-19	33.0%	38.1%	\$2.5	\$0.00022
Streetlights	0.0%	0.0%	\$0	\$0.00000
Standby	0.0%	0.7%	\$0.3	\$0.00117
AG	6.9%	12.3%	\$2.7	\$0.00057
E-20	28.8%	40.1%	\$5.6	\$0.00042
Total	100.0%	100.0%	\$0	\$0.00000

*Totals may not add due to rounding*

PG&E intends that the adjustment ends on December 31, 2020.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than January 9, 2020, which is 20 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, 4<sup>th</sup> 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 1 advice letter become effective on February 1, 2020, in order to implement in PG&E's AET on March 1, 2020.

### **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.12-11-005. 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/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments

cc: Service List A.16-06-013 and R.12-11-005



# 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 U39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Annie Ho  
 Phone #: (415) 973-8794  
 E-mail: PGETariffs@pge.com  
 E-mail Disposition Notice to: AMHP@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) #: 5726-E

Tier Designation: 1

Subject of AL: Correction of Self Generation Incentive Program Revenue Requirement Allocation in Electric Rates

Keywords (choose from CPUC listing): Compliance,

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

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

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: 2/1/20

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss 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](mailto: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](mailto: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 Submittal 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	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	International Power Technology	San Francisco Water Power and Sewer
California Energy Commission	Intestate Gas Services, Inc.	Seattle City Light
California Public Utilities Commission	Kelly Group	Sempra Utilities
California State Association of Counties	Ken Bohn Consulting	Southern California Edison Company
Calpine	Keyes & Fox LLP	Southern California Gas Company
	Leviton Manufacturing Co., Inc. Linde	Spark Energy
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunshine Design
Cenergy Power	MRW & Associates	Tecogen, Inc.
Center for Biological Diversity	Manatt Phelps Phillips	TerraVerde Renewable Partners
	Marin Energy Authority	Tiger Natural Gas, Inc.
Chevron Pipeline and Power City of Palo Alto	McKenzie & Associates	
	Modesto Irrigation District	TransCanada
City of San Jose	Morgan Stanley	Troutman Sanders LLP
Clean Power Research	NLine Energy, Inc.	Utility Cost Management
Coast Economic Consulting	NRG Solar	Utility Power Solutions
Commercial Energy		Utility Specialists
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	
Crossborder Energy	OnGrid Solar	Verizon
Crown Road Energy, LLC	Pacific Gas and Electric Company	Water and Energy Consulting Wellhead Electric Company
Davis Wright Tremaine LLP	Peninsula Clean Energy	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy		Yep Energy
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		