

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5750E
As of August 6, 2021

Subject: Requesting Adjustment to the Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

Division Assigned: Energy

Date Filed: 01-31-2020

Date to Calendar: 02-05-2020

Authorizing Documents: E-4999

Disposition:

Signed

Effective Date:

08-05-2021

Resolution Required: Yes

Resolution Number: E-5125

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

415-973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

January 31, 2020

Advice 5750-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Requesting Adjustment to the Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

Purpose

Pursuant to Ordering Paragraph (OP) 2 of Resolution E-4999, PG&E hereby submits this Tier 3 Advice Letter to request an adjustment to the administrative and marketing budget caps for the Community Solar Green Tariff (CS-GT) program.

Background

Resolution E-4999 OP 2 directs that beginning with the 2021 program budgets for the Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT), PG&E, SCE, and SDG&E are to allocate no more than 10 percent of each program's budget in a given year for program administration and no more than 4 percent of each program's budget in a given year for Marketing, Administration, and Outreach (ME&O). The Ordering Paragraph states that for 2019 and 2020 program costs only, the utilities may propose administrative and ME&O costs that are above the 10 percent and 4 percent caps, to account for any start-up costs that may be higher in the first years of the program. Finally, the utilities are authorized to submit a Tier 3 Advice Letter requesting an adjustment to the 10 percent administrative and 4 percent ME&O budget allocations with an accompanying rationale for why the adjustment is necessary. This Advice Letter requests that adjustment for the CS-GT program.

Detail

Resolution E-4999¹ states "Acknowledging that start-up costs may be higher within the first years of the program, the IOUs may propose administrative and ME&O costs that are above the 10 percent and 4 percent caps established in this Resolution for the 2019 and 2020 program budgets only."

¹ Page 29

The program budgets for DAC-GT and CS-GT consist of four categories:

- 1) Generation-related costs,
- 2) 20 percent bill discount costs,
- 3) Administrative costs, and
- 4) Marketing, Education and Outreach (ME&O) costs

The budget caps for administrative and ME&O costs are, by definition, a function of the sum of the four categories. If the generation-related costs and the costs of the 20 percent bill discount are low, the cap for the administration and marketing efforts will likewise be set low.

The caps are not reasonable for the CS-GT program because of both the timing of CS-GT project rollouts and associated activities, and because of the size of the CS-GT program.

Timing of the CS-GT Program

Due to timing differences in the rollout of the DAC-GT and CS-GT programs, the timing of start-up costs in relation to overall program budget differs greatly between the two programs. For DAC-GT, OP1(I) of Resolution E-4999 directed that PG&E begin enrolling customers 9 months after issuance of the Resolution, dated June 3, 2019. In order to be able to enroll eligible customers and provide them with the mandatory 20 percent bill discount, PG&E had to prioritize the IT development and deployment of the DAC-GT program, which took place during both 2019 and 2020. IT costs are typically the most significant portion of administrative costs; in 2019 they accounted for 90 percent of DAC-GT's costs overall, as indicated in Table 1. Appropriately, PG&E and the other utilities were exempted from meeting the budget caps during these "start-up" years.

Table 1: DAC-GT 2019 Expenditures

DAC-GT 2019 Actual Expenditures		2019	% of Total
1	Generation Costs (1)	\$ -	0%
2	20% Discount	\$ -	0%
	<i>Program Management</i>	\$ 97,022	8%
	<i>IT</i>	\$ 1,161,165	90%
	<i>Procurement & Contract Mgmt</i>	\$ 25,001	2%
	<i>Contact Centers</i>	\$ -	0%
3	Admin Subtotal	\$ 1,283,188	99%
4	Marketing & Outreach	\$ 8,836	1%
5	DAC-GT TOTAL	\$ 1,292,025	

(Numbers do not appear to sum due to rounding.)

In contrast, CS-GT start-up activities will ramp up in earnest in 2020 and 2021, and some activities will continue for an indefinite period of time. Customer enrollment for CS-GT will occur when procured community projects begin coming online. Unlike the DAC-GT program, the CS-GT program cannot use an “interim pool” of solar resources, since participants will subscribe to the output of a particular solar project in or near their community. In conformance with OP 8 of Resolution E-4999, on August 2, 2019, PG&E submitted AL 5610-E, *Request for Approval of Solicitation Documents for the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Programs*. PG&E could not begin procurement for the CS-GT program, or the DAC-GT program, until this Advice Letter was approved. With the approval of this Advice Letter on January 6, 2020, PG&E will begin its first solicitation for the DAC-GT and CS-GT programs by March 6, 2020. Taking into consideration the time required for the solicitation, offer review, approval, and CPUC confirmation, for purposes of this budget forecast PG&E estimates that the *soonest* projects may come online is mid-2021.

As such, the IT billing system costs are expected to be incurred primarily across both 2020 and 2021. Additionally, the program’s ME&O costs, which are largely focused on funding for third-party community-based sponsors, will also be incurred primarily in 2020 and 2021, but may continue for many years depending upon the timing of project development, which is unknown at this time.

In 2021, the CS-GT program has the added challenge from a budget cap perspective of having only a portion of the year with above-market generation and 20 percent discount costs. As stated previously, PG&E estimates for purpose of this budget forecast that the *soonest* projects may begin coming online is mid-2021. As such, the ratio of administrative and marketing costs to overall program costs are skewed in 2021 with a higher-than-normal ratio of administrative and marketing costs.

Table 2 presents the 2021 budget request for CS-GT, as submitted in AL 5749-E, the *2021 Budget Request for the Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) Programs*.

Table 2: 2021 CS-GT Budget

		2021		
1	Generation Costs (1)	\$ 299,034		
2	20% Discount	\$ 196,081		
	<i>Program Management</i>	<i>\$ 391,135</i>		
	<i>IT</i>	<i>\$ 1,205,000</i>		
	<i>Procurement & Contract Mgmt</i>	<i>\$ 161,006</i>		
	<i>Contact Centers</i>	<i>\$ 40,000</i>		
3	Admin Subtotal	\$ 1,797,141	70%	% of Total
4	Marketing & Outreach	\$ 279,400	11%	% of Total
5	CS-GT TOTAL	\$ 2,571,656		
	<i>Less 2019 Unspent CS-GT Balance:</i>	<i>\$ 191,425</i>		
6	2021 CS-GT BUDGET REQUEST	\$ 2,380,231		

As evidenced in the 2021 CS-GT budget, the proportion of administrative costs as a percent of total program costs in 2021 is 70 percent, and the proportion of marketing and outreach costs as a percent of total program costs is 11 percent. These percentages are due not only to the IT costs and sponsor support, but to the relatively “low” generation and 20 percent discount costs due to the timing of the projects, and as described below, the size of the CS-GT program.

Size of the CS-GT Program

For CS-GT, the issue is not limited to the timing of project rollout. For a program with a cap of only 14.2 MW (for PG&E), even when the program is fully subscribed, the ratio of administrative and marketing costs to overall program costs will appear high under virtually any circumstances.

If PG&E’s allocation of 14.2 MW for the CS-GT program were fully subscribed, the program would have a “maximum” estimated budget, under conservative (high) assumptions, prior to administrative and marketing costs, of \$2.49 million². As shown in Table 3, 10 percent of this amount is \$249,003, and 4 percent of this amount is \$99,601.³

² Assumptions shown in Appendix A.

³ While the actual 10 percent and 4 percent values would increase with the addition of administrative and ME&O costs, this provides a ballpark framework for consideration.

Table 3: Estimated CS-GT Costs at Full Program Subscription

CS-GT Expenditures at Full 14.2 MW Subscription		Low End Gen Costs	High End Gen Costs
1	Generation Costs (1)	\$ 721,474	\$ 1,442,947
2	20% Discount	\$ 1,047,081	\$ 1,047,081
3	<i>TOTAL Prior to Admin and ME&O:</i>	\$ 1,768,555	\$ 2,490,028
4	10% of Total (Admin Cap)	\$ 176,856	\$ 249,003
5	4% of Total (ME&O Cap)	\$ 70,742	\$ 99,601

- (1) Reflects the incremental renewable resource costs from interim pool or dedicated resources, the difference between the customers' assigned vintage PCIA and PCIA revenues included in the otherwise applicable tariff (OAT), and any other generation-related program charges used to support the DAC-GT Program, multiplied by the kWh delivered to participating customers for the month.

Unlike for DAC-GT, the CS-GT program has no floor on the size of projects, which means that the 14.2 MW may consist of many, even dozens, of solar projects. This will require significant resources from PG&E's Procurement and Contract Management teams to manage. The Contract Management efforts will continue even after the initial procurement efforts have subsided. PG&E cannot predict when the entirety of these projects will be procured or exactly when they will come online. Additionally, Program Management (sponsor support, budget, reporting, regulatory filings, program oversight, etc.) and contact center support will be required, as well as possible website or IT maintenance work. \$249k⁴ is not a reasonable cap to cover all the administrative activities of the CS-GT program, even under a post-start-up environment. The Program Management efforts alone in 2021 are expected to exceed this amount.

Additionally, each CS-GT project requires the involvement of a community sponsor. In its 2019-2021 ME&O Plan submitted in AL 5609-E⁵, PG&E allocated up to \$15,000 per project for Community Based Organization (CBO) outreach funding. This funding to third party entities represents over 80 percent of the total ME&O budget for the CS-GT program, and with an assumption of 15 projects, the total for third party ME&O funding is \$225,000. PG&E has no way of predicting exactly when the entirety of the 14.2 MW of solar projects will be procured or come online. Therefore, it is impossible to predict when ME&O funding for third party CBOs and PG&E labor to support the CBO efforts will be needed. Under these circumstances, it is unreasonable to hold the marketing expenditures to an arbitrary cap of 4 percent of program funds in any year, which would equate to only approximately \$100k.

⁴ This number would increase by 10 percent of any budgeted administrative or ME&O costs. However, this is a conservative (high) forecast.

⁵ Pending approval

Summary

The CS-GT program is unique in several ways. Its projects will not begin coming online until 2021 at the earliest, and there is no way to predict for how long the procurement efforts will continue and for how many years projects will continue to come online. The program requires the involvement of a local community sponsor for each project, and each sponsor may be eligible to receive up to \$15,000 in outreach support⁶. Procurement, Contract Management, Program Management, and Contact Center labor may continue for many years. Finally, the relatively small 14.2 MW size of the program means that even under a full subscription scenario, a budget cap of 10 percent for administration and 4 percent for ME&O is not likely to provide sufficient funding to support the program.

D.18-06-027 OP 15 already directs PG&E to track all costs related to the implementation and operation of the DAC-GT and CS-GT programs in its balancing accounts, to be reviewed in the annual Energy Resource Recovery Account (ERRA) proceeding. The CPUC therefore has a venue to review submitted costs for both the DAC-GT and CS-GT programs. Given the unique characteristics of the CS-GT program and the budget review mechanisms already in place, arbitrary administrative and marketing budget caps for the CS-GT program are both unreasonable and unnecessary.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than February 20, 2020, which is 20 days after the date of this submittal. 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:

⁶ Pending approval of PG&E's AL 5609-E.

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 3 advice submittal become effective upon Commission approval.

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 R.14-07-002. 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

Appendix

cc: Service List R.14-07-002

Appendix A

Assumptions in a Fully-Subscribed CS-GT Program Generation and Discount Costs

CS-GT Generation Costs

PG&E has not initiated the first solicitation for CS-GT at this time. The below estimates show a range of possible net premium estimates and their impact on overall generation costs.

	Low End	High End				
Premium Estimate (cents/kWh)	2	4	cents/kWh			
Program Cap	14.2	14.2	MW			
Annual Capacity Factor	29%	29%	Estimate			
Yearly MWh at full subscription	36,074	36,074	MWh/year			
CS-GT Generation Costs (\$)	721,474	1,442,947	(Yearly MWh x Premium Estimate (cents/kWh) x 1000)/100			

The net premium reflects the incremental renewable resource costs from interim pool or dedicated resources, the difference between the customers' assigned vintage PCIA and PCIA revenues included in the otherwise applicable tariff (OAT), and any other generation-related program charges used to support the DAC-GT Program, multiplied by the kWh delivered to participating customers for the month.

CS-GT 20 Percent Discount Costs

[illegible]



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: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 5750-E

Tier Designation: 3

Subject of AL: Requesting Adjustment to the Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

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 #: Res. E-4999

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:

No. of tariff sheets: 0

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