

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5919E
As of October 22, 2020

Subject: Establish a Centralized Local Procurement Balancing Account as a Sub-Account of the New System Generation Balancing Account Pursuant to Decision 20-06-002

Division Assigned: Energy

Date Filed: 08-17-2020

Date to Calendar: 08-19-2020

Authorizing Documents: D2006002

Disposition:	Accepted
Effective Date:	09-16-2020

Resolution Required: No

Resolution Number: None

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

August 17, 2020

Advice 5919-E

Pacific Gas and Electric Company (U 39 E)

Public Utilities Commission of the State of California

**Subject: Establish a Centralized Local Procurement Balancing Account as a
Sub-Account of the New System Generation Balancing Account
Pursuant to Decision 20-06-002**

Pacific Gas and Electric Company (PG&E) hereby submits its request to establish a new Centralized Local Procurement Sub-Account (CLPSA) in the New System Generation Balancing Account (NSGBA) pursuant to Decision (D.) 20-06-002 (the CPE Decision), Ordering Paragraph (OP) 17, issued in the Order Instituting Rulemaking (R.) 17-09-020, in the Decision on Central Procurement of the Resource Adequacy (RA) Program.

Purpose

The purpose of this advice letter is to request the California Public Utilities Commission (Commission) to approve PG&E's proposal to establish the CLPSA in the NSGBA to recover procurement and administrative costs associated with PG&E's role as the designated Central Procurement Entity (CPE) in its distribution service area beginning in 2021 through the Cost Allocation Mechanism (CAM) methodology.¹ In addition to the new CLPSA in the NSGBA, PG&E is also requesting modification to the Portfolio Allocation Balancing Account (PABA) vintage subaccounts and Modified Transition Cost Balancing Account (MTCBA) to facilitate reclassification of utility-owned generation (UOG) and contracted resources that are typically eligible for recovery through the Power Charge Indifference Adjustment (PCIA) and Ongoing Competition Transition Charge (CTC), respectively, to the CLPSA and then reclassified back to their existing cost recovery mechanism designation at the end of the CPE contract, as authorized in the CPE Decision, OP 12.² Lastly, PG&E is submitting modifications to the PCIA Under-collection Balancing Account (PUBA), to clarify that PCIA-eligible resources procured by the CPE that are reclassified as CAM, then reclassified back to their existing cost recovery designation are exempt from the annual PCIA rate cap.³

¹ D.20-06-002, OP 16 and OP 17.

² See also D.20-06-002 discussion at pp. 47-48.

³ *Ibid.*

Background

On June 17, 2020, the Commission issued D.20-06-002 in R.17-09-020, adopting a hybrid central procurement framework for local resources for the PG&E and Southern California Edison Company (SCE) distribution service areas. Additionally, the Commission designated PG&E and SCE as the CPEs for their respective distribution service areas for the multi-year local RA program with procurement beginning in 2021 for the 2023 RA compliance year.⁴ In OP 16 of the CPE Decision, the Commission ordered that the cost recovery mechanism for procurement costs and administrative costs incurred in serving the central procurement function shall be recoverable through the CAM. OP 17 requires the CPE, in this case PG&E and SCE, to each submit a Tier 2 advice letter within 60 days of the CPE Decision to establish the CLPSA in the NSGBA in order to facilitate the cost recovery process.

The CPE Decision, OP 12 also addresses the reclassification of investor-owned utility (IOU) resources that are procured by the CPE and allows these resources to be reclassified from their existing cost recovery mechanism designations to the CAM for the duration of the contract or multi-year obligation with the CPE, and reclassified back to their original cost recovery designation at the end of the CPE contract. This reclassification also applies to PCIA-eligible resources generally, which would also include contracted resources that are procured by the CPE.⁵ Specifically, the CPE Decision clarifies that PCIA-eligible resources that are reclassified to CAM and then return to PCIA-eligibility, will be eligible for exclusion from the PCIA rate cap adopted in D.18-10-019.⁶

Tariff Revisions

PG&E is proposing conforming modifications in compliance with the CPE Decision to the following tariffs: (1) NSGBA, Preliminary Statement FS; (2) PABA, Preliminary Statement HS, and (3) PUBA, Preliminary Statement HZ. In addition, PG&E proposes to change in the subaccount numbering and naming conventions in the NSGBA to more clearly identify the subaccounts by number and by name and deletes one obsolete subaccount.

1. New System Generation Balancing Account - Preliminary Statement Part FS

- *Section 1, Purpose:* Modifications include reference to the CPE Decision and the CLPSA with general description of the purpose.
- *Section 5.b, Net Capacity Costs, Subaccount a:* Renumber/rename QF/CHP Program subaccount.
- *Section 5.b, Net Capacity Costs, Subaccount b:* Delete Sutter subaccount. The contract expired at the end of 2015.

⁴ D.20-06-002, p. 1.

⁵ See discussion at page 48-49 of D.20-06-002.

⁶ D.18-10-019, pp. 48-49, p. 80.

- *Section 5.b, Net Capacity Costs, Subaccount c:* Renumber/rename *Marsh Landing Power Purchase Agreement* subaccount and add line item, "Total Net Capacity Costs," that totals lines in the subaccount.
- *Section 5.b, Net Capacity Costs:* Add new subaccount, "3. CLPSA Subaccount" to include separate entries to record: (1) resource costs for non-utility contracted resources as authorized in the CPE contract terms and conditions, (2) resource costs for PG&E contracted resources including fuel and Greenhouse Gas (GHG) compliance costs (3) resource costs for PG&E UOG including fuel and GHG compliance costs, (4) actual net energy and ancillary service market revenues and costs the CLPSA resources receive in the California Independent System Operator Corporation (CAISO) markets or net revenues and costs for energy and ancillary service payments/charges received by the buyer from the seller as defined in the CPE contract terms and conditions, (5) actual miscellaneous CAISO charges/credits the CLPSA resource receives through the CAISO settlement process, and (6) administrative costs, including but not limited to employee and consultant costs, legal fees, technology systems costs, and credit-related costs associated with CPE procurement of non-utility contracted resources and PG&E contracted resources, including pre-payments and credit and collateral payments, including all associated fees, associated with PG&E's role as the designated CPE in its distribution service area.⁷

The net capacity costs recorded in each subaccount, plus interest, will be recovered from customers through the existing New System Generation Charge (NSGC), which is commonly referred to as the CAM in the CPE Decision. The NSGC is shown in the customers' applicable rate schedule and combined with PG&E's distribution rate for presentation on customers' bills.

2. Portfolio Allocation Balancing Account - Preliminary Statement HS

- *Section 1, Purpose:* Modifications include reference to the CPE Decision and the CLPSA with general description of how the CPE Decision effects PCIA-eligible resources.
- *Section 5, Accounting Entries:* Enhance line item descriptions that describe CAISO net revenues and costs for energy, ancillary services, and miscellaneous charges and credits that are attributable to PCIA-eligible resources to exclude or transfer CAISO revenue credit and costs that are attributable to CLPSA-eligible resources. Enhance line item descriptions for lines that record resource costs, fuel expense and GHG compliance costs under each vintage subaccounts' subsections headings to exclude or transfer resource costs related vintage PCIA-eligible resources that have been reclassified as CLPSA-eligible resources for the duration of the resources' contract with the CPE. The relevant subsection

⁷ PG&E is including the pre-payments and credit and collateral payments associated with CPE-procurement related costs in the administrative costs to support the CPE procurement activities but understands that certain of these costs may also be classified as procurement-related miscellaneous costs.

headings in each vintage subaccount where *the enhanced* description *has* been *added* include: Utility-Owned Generation entries, CAISO related entries, Fuel Costs, Contract Costs, and GHG Costs.

3. Modified Transition Cost Balancing Account – Preliminary Statement CQ

- *Section 1, Purpose:* Modifications include reference to the CPE Decision and the CLPSA with general description of how the CPE Decision effects PCIA-eligible resources.
- *Section 5, Accounting Entries:* Enhance Line Item 5.f description to exclude or transfer resource costs for ongoing CTC-eligible resources that have been reclassified as CLPSA-eligible resources for the duration of the resources' contract with the CPE. Enhance Line Items 5.g, 5.h, and 5.i, descriptions that describe CAISO net revenues and costs for energy, miscellaneous, and ancillary service charges and credits, respectively, that are attributable to CTC-eligible resources to exclude or transfer CAISO revenue credit and costs that are attributable to CLPSA-eligible resources.

4. PCIA Under-collection Balancing Account - Preliminary Statement HZ

- *Section 1, Purpose:* Modification includes reference to the CPE Decision and clarifies that vintage resources that are reclassified from CLPSA-eligible back to PCIA-eligible will be exempt from the PCIA rate cap authorized in D.18-10-019.

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than September 7, 2020, which is 21 days after the date of this submittal.⁸ 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

⁸ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by one additional day because 20 days following submission of this advice letter falls on Sunday, September 6, 2020.

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 respectfully requests that this Tier 2 advice letter submittal become effective 30 days after submission of this advice letter on September 16, 2020 or 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 lists for R.17-06-026, R.17-09-020, and R.19-11-009. 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:

Attachment 1: Tariffs
Attachment 2: Redline Tariff Revisions

cc: Service List R.17-06-026
Service List R.17-09-020
Service List R.19-11-009



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) #: 5919-E

Tier Designation: 2

Subject of AL: Establish a Centralized Local Procurement Balancing Account as a Sub-Account of the New System Generation Balancing Account Pursuant to Decision 20-06-002

Keywords (choose from CPUC listing): Compliance, Balancing Account

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-06-002

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: 9/16/20

No. of tariff sheets: 15

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: See Attachment 1

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

Cal P.U.C. Sheet No.	Title of Sheet	
47091-E	ELECTRIC PRELIMINARY STATEMENT PART CQ MODIFIED TRANSITION COST BALANCING ACCOUNT Sheet 1	43459-E
47092-E	ELECTRIC PRELIMINARY STATEMENT PART CQ MODIFIED TRANSITION COST BALANCING ACCOUNT Sheet 2	45688-E
47093-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 1	40554-E
47094-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 2	32212-E
47095-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 1	46729-E
47096-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 2	46730-E
47097-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 3	45901-E
47098-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 4	
47099-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 5	46731-E
47100-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 6	46732-E
47101-E	ELECTRIC PRELIMINARY STATEMENT PART HZ PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA) Sheet 1	45245-E
47102-E	ELECTRIC TABLE OF CONTENTS Sheet 1	47072-E
47103-E	ELECTRIC TABLE OF CONTENTS Sheet 13	46219-E
47104-E	ELECTRIC TABLE OF CONTENTS Sheet 16	45906-E
47105-E	ELECTRIC TABLE OF CONTENTS Sheet 17	47074-E

**Cal P.U.C.
Sheet No.**

Title of Sheet

**Cancelling
Cal P.U.C.
Sheet No.**



San Francisco, California

Cal. P.U.C. Sheet No. 47091-E
Cal. P.U.C. Sheet No. 43459-E

Sheet 1

d. A debit or credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share upon Commission approval of a restructured contract to true-up for any difference between the initial net present value (Item 5.c above), and the final Commission-approved net present value of the restructured QF contract.

Submitted	August 17, 2020
Effective	
Resolution	



U 39

**Pacific Gas and
Electric Company®**

San Francisco, California

Cancelling Revised
RevisedCal. P.U.C. Sheet No. 47092-E
Cal. P.U.C. Sheet No. 45688-E**ELECTRIC PRELIMINARY STATEMENT PART CQ
MODIFIED TRANSITION COST BALANCING ACCOUNT**

Sheet 2

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- (L)
(L)
- e. A credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of the revenue received from the sale of excess sulfur dioxide emission credits, less reasonably incurred sales costs not already recovered in rates (D.97-11-074, Section 11.7.3).
- f. A debit entry equal to the total contract costs associated with QF obligations, including irrigation district and other purchase power contracts eligible for recovery as an ongoing CTC, excluding ongoing CTC-eligible resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA). (T)
|
(T)
- g. A debit or credit entry equal to the net CAISO charges or revenues for energy associated with generating resources recovered in the MTCBA, excluding charges or credits for energy associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
|
(T)
- h. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in the MTCBA, excluding charges or credits for miscellaneous associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
|
(T)
- i. A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in the MTCBA, excluding charges or credits for ancillary services associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
|
(T)
- j. A credit entry equal to the Retained Renewable Portfolio Standard (RPS) Value, determined using the most current Commission-adopted RPS Adder. A corresponding debit entry equal to Retained RPS Value is recorded in ERRa.
- k. A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRa.
- l. A credit entry equal to the Retained Resource Adequacy (RA) Value, determined using the most current Commission-adopted RA Adder. A corresponding debit entry equal to imputed costs for RA is recorded in ERRa.
- m. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RPS Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRa.
- n. A debit or credit entry equal, as appropriate, to record transfer of amounts to or from other accounts as approved by the CPUC.
- o. An entry equal to the interest on the average balance of the subaccount at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

Advice 5919-E
Decision D.20-069-002Issued by
Robert S. Kenney
Vice President, Regulatory AffairsSubmitted August 17, 2020
Effective
Resolution



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**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 1

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT

1. **PURPOSE:** The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and the costs of Power Purchase Agreements (PPAs) associated with generation resources for which the Commission has determined that the costs and benefits will be allocated to all benefitting customers, including bundled, Direct Access, and Community Choice Aggregation customers. Subaccounts shall be established in the NSGBA for each PPA associated with an eligible generation resource or a category of generation resources for which net capacity costs have been identified as recoverable on a non-bypassable basis.

Pursuant to Decision (D.) 20-06-002, Ordering Paragraph (OP) 17, a Centralized Local Procurement Subaccount (CLPSA) is established to facilitate cost recovery of procurement and administrative costs PG&E incurs in its role as the Central Procurement Entity (CPE) through the New System Generation Charge (NSGC). The net capacity cost associated with the procurement of CLPSA-eligible resources will be equal to the costs of the contracted resource or utility-owned generation (UOG) resource, including fuel and expense associated with greenhouse gas (GHG) compliance, net of actual revenue and cost the generation resources receive in the California Independent System Operator Corporation's (CAISO) energy and ancillary market is recoverable through the NSGC. The administrative cost associated with PG&E's CPE role recoverable through the NSGC pursuant to D. 20-06-002.

2. **APPLICABILITY:** The NSGBA shall apply to all benefitting customers and customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The balancing account shall be trued-up annually.
4. **RATES:** The Cost Allocation Methodology (CAM) rate recovers the net capacity costs associated with NSGBA resources and is set forth in the applicable customer rate schedules.
5. **ACCOUNTING PROCEDURES:** The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:

- a) **Revenues** – the following entry reflects the revenue entry equal to the CAM rate recovering net capacity costs from all CAM-eligible resources.

A credit entry equal to the revenue from the CAM rate from non-exempt retail customers during the month, excluding the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense;

- b) **Net Capacity Costs** - the following entries reflect the net capacity costs associated with eligible resources, by subaccount:

1. **QF/CHP Program Subaccount**

- i. A debit entry equal to the capacity and energy costs for eligible QF/CHP Program contracts;
- ii. A credit entry equal to the energy revenues as established in Appendix A of D.07-09-044, Section IX.B.2 for eligible QF/CHP Program contracts.
- iii. Total QF/CHP Program net capacity costs are equal to the sum of lines 5.b.1.i and 5.b.1.ii.

(N)

(N)

(T)

(N)

(N)

(L)

(L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 2

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- | | |
|--|---------|
| 2. Marsh Landing Power Purchase Agreement (PPA) Subaccount | (L)/(T) |
| i. A debit entry equal to the capacity and energy costs for the Marsh Landing PPA; | (L) |
| ii. A credit entry equal to the energy revenues, if any, as established in Appendix A of D.07-09-044, Section IX.B.2 for the CAM-eligible Marsh Landing PPA. | (L) |
| iii. Total Marsh Landing PPA net capacity costs are equal to the sum of lines 5.b.2.i and 5.b.2.ii. | (N) |
| | (N) |
| | (D) |
| | (D) |
| 3. Centralized Local Procurement Subaccount | (L)/(T) |
| i. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for non-utility contract resources procured by the CPE; | (L) |
| ii. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for PG&E contract resources procured by the CPE; | (L) |
| iii. A debit/credit entry equal to the authorized revenue requirement, fuel costs, and GHG compliance costs, if any, for PG&E UOG resources procured by the CPE; | (N) |
| iv. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges received by the buyer from the seller as defined in the contract terms and conditions associated with non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE; | |
| v. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE; | |
| vi. Administrative costs associated with the CPE role, including but not limited to employee and consultant costs, legal fees, technology systems costs, and credit- related costs associated with CPE procurement of non-utility contracted resources and PG&E contracted resources, including pre-payments and credit and collateral payments, including all associated fees , associated with PG&E's role as the designated CPE in its distribution service area. | |
| vii. Total net capacity costs are equal to the sum of lines 5.b.3.i, 5.b.3.ii, 5.b.3.iii., 5.b.3.iv, 5.b.3.v, and 5.b.3.vi. | (N) |
| c) Interest – the following entry equals the interest applied to the sum of revenues and net capacity costs for each subaccount for the month. | |
| 1. A monthly entry equal to interest on the average balance in the sum of the subaccounts at the beginning of the month and the balance in the sum of the subaccounts after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. | (T) |
| | (T) |



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 1

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

1. **PURPOSE:** The purpose of the PABA is to record the "above-market" costs of all generation resources that are eligible for recovery through Power Charge Indifference Adjustment (PCIA) rates.

The PABA is comprised of subaccounts for non-vintaged portfolio resources and each year's vintage portfolio resources, that records the costs, market revenues, and imputed revenues of all generation resources executed or approved by the Commission for cost recovery that year. Amounts will include costs related to contracts executed with third parties and utility-owned generation.

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts and utility-owned generation (UOG) resources can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the resource would be reclassified back to its original cost recovery mechanism, which in the case of a PCIA-eligible resource would be a PABA vintage subaccount. Pursuant to D.20-06-002, PCIA-eligible resources that are reclassified from NSGC back to PCIA will be exempt from the PCIA rate cap authorized in D.18-10-019.

(N)

(N)

2. **APPLICABILITY:** The PABA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRa forecast proceeding.
4. **RATES:** PABA rates are included in the effective rates set forth in each rate schedule.
5. **ACCOUNTING PROCEDURES:** The PABA consists of three types of subaccounts:

"Non-vintaged Subaccount" records and recovers the above market costs associated with New Qualifying Facility (QF) Standard Offer Contracts (SOC) approved pursuant to D.20-05-006 and any new or existing Standard Contract for QFs 20 MW or Less pursuant to D.10-12-035 (QF Settlement) that the Commission authorizes be recovered on a non-vintaged basis.

"Legacy Utility Owned Generation Subaccount" records and recovers the above market costs associated with adopted revenue requirements related to PG&E-owned generation installed before 2002 ("Legacy UOG"), including capital and related non-fuel operating and maintenance expenses. Legacy UOG includes PG&E's hydroelectric and nuclear generation facilities.

"Vintage Subaccounts" record and recover the above market power costs associated with PG&E's authorized procurement plan by vintage. Power costs recorded in each vintage subaccount include, but are not limited to, fuel and greenhouse gas (GHG) costs, third party power purchase contracts, and utility owned generation revenue requirements. These costs are offset by CAISO generation revenues, forward sales revenues, and PCIA revenues from customers assigned to the vintage subaccount. Note that each year beginning with 2009 has its own vintage subaccount. Resources are assigned to a vintage portfolio based on the year the generation resource commitment is made (i.e., contract execution date or Commission approval of UOG construction) and customers are assigned to a vintage based on their departure date. Customers who depart before July 1 of a given year are assigned to the prior year's vintage.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 2

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

In Compliance with Decision (D.) 20-06-002, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for resource adequacy will be recovered through the New System Generation Charge (NSGC) and recorded to Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA). Resources recovered through the NSGC and recorded to the CLPSA in the NSGBA will be excluded from the PABA vintage subaccount for the duration of the resources contract with the CPE. At the end of the CPE contract the resource will be reclassified back to its original cost recovery mechanism, which for a PCIA-eligible resource would be to a PABA vintage subaccount. When the resource is reclassified from recovery through the NSGC back to PCIA recovery, the resource will be exempt from the PCIA rate cap adopted in D.18-10-019.

(N)
—
(N)

The PCIA vintage each UOG facility is assigned is shown below:

<u>Facility</u>	<u>Vintage Subaccount</u>
Colusa	2009
Gateway	2009
Humboldt	2009
Fuel Cells	2010
Photovoltaic Solar	2010 and 2012

The following entries will be made to the Non-vintaged, Legacy UOG and Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense:

Customer Billed Revenue Entries:

- A credit entry equal to PCIA revenues attributable to the Vintage from bundled customers.
- A credit entry equal to PCIA revenues attributable to the Vintage from DA customers.
- A credit entry equal to PCIA revenues attributable to the Vintage from CCA customers.

Actual Sold Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) Transaction Entries:

- A credit entry equal to revenues received for Actual Sold RPS transactions.
- A credit entry equal to revenues received for Actual Sold RA transactions.

Retained RPS and RA Value Entries:

- A credit entry equal to the Retained RPS Value, determined using the most current Commission-adopted RPS Adder multiplied by Actual Retained RPS quantities. A corresponding debit entry equal to the Retained RPS Value is recorded in ERRa.
- A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Actual Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRa.

(L)
(L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 3

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Retained RPS and RA Value Entries:

- h. A credit entry equal to the Retained RA Value, determined using the most current Commission-adopted RA Adder, multiplied by the Actual Retained RA quantities. A corresponding debit entry equal to the Retained RA Value is recorded in ERRa.
- i. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RA Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRa.

Utility-Owned Generation Related Entries:

- j. A debit entry equal to one-twelfth of the electric generation portion of revenue requirement associated with the CPUC authorized pension contribution amount,
- k. A debit entry equal to the annual authorized revenue requirements associated with PG&E's owned generation divided by twelve, excluding PCIA-eligible UOG resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA).
- l. A debit or credit entry, as appropriate, to record ESA costs associated with PCIA eligible generation resources portfolio/ procurement activity (which is embedded in the annual authorized revenue requirements associated with PG&E's owned generation).
- m. A debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric generation non-depreciable asset, as approved by the CPUC.
- n. A debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant Employee Retention Program (see corresponding entry in the Employee Retention Subaccount of the Diablo Canyon Retirement Balancing Account (DCRBA) per Preliminary Statement HK, 5b.1).
- o. A debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant license renewal costs.
- p. A debit entry equal to one-twelfth (or amortization period approved) of the power generation portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

CAISO Related Entries:

- q. A debit or credit entry equal to the net charges or revenues for energy associated with generating resources recovered in PABA, which excludes net charges or revenues for energy associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 4

(N)

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

CAISO Related Entries:

- | | |
|---|------------------------------|
| | (L) |
| r. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in PABA, which excludes net charges or revenues for miscellaneous CAISO charges/credits associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. | (L)/(T)
(T) |
| s. A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in PABA, excluding net charges or revenues for ancillary services associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. | (L)
(L)/(T)
(T)
(T) |

Fuel Costs:

- | | |
|--|------------------------------------|
| | (L) |
| t. A debit entry equal to natural gas fuel and related transportation and miscellaneous expenses for PCIA eligible UOG resources and contracts, excluding expenses in this category that have been allocated to PCIA-eligible UOG and contract resources that have been procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. | (L)/(T)
(T)
(T) |
| u. A debit entry equal to distillate fuel and related transportation and miscellaneous expenses used at PG&E's fossil plants as a back-up, excluding expenses in this category that can be allocated to PCIA-eligible UOG and contract resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. | (L)
(L)/(T)
(T)
(T) |
| v. A debit entry equal to the hydroelectric fuel and related transportation and miscellaneous expenses, excluding expenses in this category that have been allocated to PCIA-eligible UOG and contract resources that have been procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. The fuel expenses include water purchase costs for the hydroelectric plants. | (L)
(L)/(T)
(T)
(T) |
| w. A debit entry equal to nuclear fuel and miscellaneous expenses for the Diablo Canyon Nuclear Power Plant. | |
| x. A debit entry for nuclear fuel carrying costs equal to the interest on the monthly nuclear fuel inventory at the beginning of the month and one-half the balance of the current month's activity, multiplied at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. | (L)

(L) |

(Continued)

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ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 5

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- (L)
(L)
- Contract Costs:
- y. A debit entry equal to total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
 - z. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC, which excludes non-CTC QF costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
 - aa. A debit entry equal to bilateral contract obligations, which excludes bilateral costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
 - ab. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS.
 - ac. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts, which excludes QF/non-CHP costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
 - ad. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA, which excludes combined heat and power costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
- GHG Costs:
- ae. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts, which excludes GHG costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
(T)
- Miscellaneous Costs
- af. A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments.
 - ag. A debit entry equal to any other power costs associated with procurement.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 6

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

(L)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- ah. A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage.
- ai. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.

Interest:

- aj. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

6. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) SUBACCOUNT

The purpose of the PCIA Subaccount is an interim subaccount that tracks the difference between the actual PCIA revenue based on currently effective PCIA rates and the imputed PCIA revenue based on the PCIA rates proposed in PG&E's currently pending ERRA Forecast proceeding in the event the rates in that proceeding are approved after January 1st.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month, or as applicable, excluding an allowance for RF&U account expense, until the authorized PCIA rate is implemented:

- a) A debit entry equal to imputed PCIA revenue based on the PCIA rate as adopted by the Commission;
- b) A credit or debit entry equal to the recorded PCIA revenues; and
- c) A credit or debit entry to transfer the balance as authorized by the Commission.

(L)



ELECTRIC PRELIMINARY STATEMENT PART HZ
PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)

Sheet 1

HZ. PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)

1. **PURPOSE:** The purpose of the PCIA Undercollection Balancing Account (PUBA) is to record the shortfall in revenues accruing from departing load customers when the cap in the PCIA rate is reached as authorized in Decision (D.) 18-10-019, issued in the Power Charge Indifference Amount (PCIA) Order Instituting Rulemaking (R.) 17-06-026. Starting in 2020, the cap of the PCIA rate is set at 0.5 cents per kWh more than the current cumulative system average rate per vintage.

(T)
|
(T)

Pursuant to D.20-06-002, issued in the R.17-09-020, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for recovery through the Centralized Local Procurement Subaccount of the New System Generation Balancing Account (NSGBA) and then are reclassified back to a vintage PCIA-resource at the end of the CPE contract term will be exempt from the PCIA rate cap.

(N)
|
(N)

The PUBA is comprised of vintage subaccounts that track the PCIA obligation that accrues by customer vintage if the PCIA rate increase is capped at 0.5 cents per kWh. The PCIA obligation that accrues is a revenue shortfall and is derived by taking the difference between the uncapped PCIA rate by customer class for that vintage and the capped PCIA rate by customer class and vintage multiplied by the departing load usage, by class and vintage. The resulting PCIA obligations or revenue shortfalls will be recorded to PUBA.

Customers are assigned to vintages based on the timing of their departure. Customers that depart on or before June 30 of the current year are assigned the prior year as their customer vintage. Customers that depart on or after July 1 of the current year are assigned the current year as their customer vintage.

D.18-10-019 mandates a trigger mechanism to ensure that an undercollection or overcollection in the PUBA does not exceed 10 percent of a utility's forecast departing load PCIA revenues.

(T)

2. **APPLICABILITY:** The PUBA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRA forecast proceeding, or as authorized through a separate application if the trigger is reached.
4. **RATES:** The PUBA does not have a rate component.
5. **ACCOUNTING PROCEDURES:** The PUBA consists of subaccounts by customer vintage year, beginning with 2009.

"Vintage Subaccounts" record and recover the PCIA obligation that accrues when PCIA rates by vintage are capped. Note that each year beginning with 2009 is a separate vintage subaccount.

(Continued)



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Attachment 2

Redline Tariff Revisions



**ELECTRIC PRELIMINARY STATEMENT PART CQ
MODIFIED TRANSITION COST BALANCING ACCOUNT**

Sheet 2

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- c. A debit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of ten percent of the total net-present-value of the ratepayer benefits from a restructured QF contract, at the time the restructured contract is signed.
- d. A debit or credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share upon Commission approval of a restructured contract to true-up for any difference between the initial net present value (Item 5.c above), and the final Commission-approved net present value of the restructured QF contract.
- e. A credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of the revenue received from the sale of excess sulfur dioxide emission credits, less reasonably incurred sales costs not already recovered in rates (D.97-11-074, Section 11.7.3).
- f. -A debit entry equal to the total contract costs associated with QF obligations, including irrigation district and other purchase power contracts eligible for recovery as an ongoing CTC-excluding ongoing CTC-eligible resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA).
- g. A debit or credit entry equal to the net CAISO charges or revenues for energy associated with generating resources recovered in the MTCBA.
- h. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in the MTCBA.
- i. A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in the MTCBA.
- j. A credit entry equal to the Retained Renewable Portfolio Standard (RPS) Value, determined using the most current Commission-adopted RPS Adder. A corresponding debit entry equal to Retained RPS Value is recorded in ERRa.
- k. A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRa.
- l. A credit entry equal to the Retained Resource Adequacy (RA) Value, determined using the most current Commission-adopted RA Adder. A corresponding debit entry equal to imputed costs for RA is recorded in ERRa.
- m. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RPS Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRa.
- n. A debit or credit entry equal, as appropriate, to record transfer of amounts to or from other accounts as approved by the CPUC.
- o. An entry equal to the interest on the average balance of the subaccount at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest



**ELECTRIC PRELIMINARY STATEMENT PART CQ
MODIFIED TRANSITION COST BALANCING ACCOUNT**

Sheet 1

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

1. **PURPOSE:** The purpose of the MTCBA is to record ongoing transition costs associated with procurement, and other costs as authorized by the Commission as defined by the Public Utilities Code Section 367(a)(1)-(6), known as the statutory method. PG&E is authorized to consolidate the ongoing CTC subaccounts for bundled and direct access customers (DA), community choice aggregation (CCA) municipal departing load (MDL), and customer generation departing load (CGDL).

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the contract resource would be reclassified back to its original cost recovery mechanism, which in the case of ongoing CTC-eligible resources would be the MTCBA.

2. **APPLICABILITY:** The MTCBA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules and contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of amounts in this account shall be determined through the advice letter process.
4. **RATE:** The MTCBA rates are referred to as Competition Transition Charge rates and are set forth in each electric rate schedule. The CTC rates are composed of the ongoing CTC rates using the statutory method, applicable to bundled, DA, and DL customers.
5. **ACCOUNTING PROCEDURE:** PG&E shall make entries to the MTCBA at the end of each month, or as applicable, excluding the allowance for Revenue Fees and Uncollectible (RF&U) Accounts expense, as follows:
 - a. A credit entry equal to the revenue from the ongoing CTC rate component from bundled, DA, CCA, MDL, and CGDL customers during the month.
 - b. A debit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of costs associated with any buy-out, buy-down, renegotiation, or termination of Qualifying Facility (QF) contracts and settlements or judgments related to QF power purchase agreements.

(Continued)

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<i>Decision</i>	18-10-019	Robert S. Kenney	<i>Effective</i>	January 1, 2019
		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	



**ELECTRIC PRELIMINARY STATEMENT PART CQ
MODIFIED TRANSITION COST BALANCING ACCOUNT**

Sheet 2

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- c. A debit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of ten percent of the total net-present-value of the ratepayer benefits from a restructured QF contract, at the time the restructured contract is signed.
- d. A debit or credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share upon Commission approval of a restructured contract to true-up for any difference between the initial net present value (Item 5.c above), and the final Commission-approved net present value of the restructured QF contract.
- e. A credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of the revenue received from the sale of excess sulfur dioxide emission credits, less reasonably incurred sales costs not already recovered in rates (D.97-11-074, Section 11.7.3).
- f. -A debit entry equal to the total contract costs associated with QF obligations, including irrigation district and other purchase power contracts eligible for recovery as an ongoing CTC-excluding ongoing CTC-eligible resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA).
- g. A debit or credit entry equal to the net CAISO charges or revenues for energy associated with generating resources recovered in the MTCBA, excluding charges or credits for energy associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- h. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in the MTCBA, excluding charges or credits for miscellaneous associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- i. A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in the MTCBA, excluding charges or credits for ancillary services associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- j. A credit entry equal to the Retained Renewable Portfolio Standard (RPS) Value, determined using the most current Commission-adopted RPS Adder. A corresponding debit entry equal to Retained RPS Value is recorded in ERRa.
- k. A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRa.
- l. A credit entry equal to the Retained Resource Adequacy (RA) Value, determined using the most current Commission-adopted RA Adder. A corresponding debit entry equal to imputed costs for RA is recorded in ERRa.
- m. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RPS Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRa.



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**Pacific Gas and
Electric Company®***San Francisco, California*Revised
Cancelling RevisedCal. P.U.C. Sheet No. 45688-E
Cal. P.U.C. Sheet No. 43460-E**ELECTRIC PRELIMINARY STATEMENT PART CQ**
MODIFIED TRANSITION COST BALANCING ACCOUNT

Sheet 2

- n. A debit or credit entry equal, as appropriate, to record transfer of amounts to or from other accounts as approved by the CPUC.
- o. An entry equal to the interest on the average balance of the subaccount at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

Advice 5676-E
Decision D.19-10-001Issued by
Robert S. Kenney
Vice President, Regulatory AffairsSubmitted October 30, 2019
Effective October 30, 2019
Resolution



**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 1

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT

- ~~1.~~ **4. PURPOSE:** The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and the costs of Power Purchase Agreements (PPAs) associated with generation resources for which the Commission has determined that the costs and benefits will be allocated to all benefitting customers, including bundled, Direct Access, and Community Choice Aggregation customers. Subaccounts shall be established in the NSGBA for each PPA associated with an eligible generation resource or a category of generation resources for which net capacity costs have been identified as recoverable on a non-bypassable basis.

Pursuant to Decision (D.) 20-06-002, Ordering Paragraph (OP) 17, a Centralized Local Procurement Subaccount (CLPSA) is established to facilitate cost recovery of procurement and administrative costs PG&E incurs in its role as the Central Procurement Entity (CPE) through the New System Generation Charge (NSGC). The net capacity cost associated with the procurement of CLPSA-eligible resources will be equal to the costs of the contracted resource or utility-owned generation (UOG) resource, including fuel and expense associated with greenhouse gas (GHG) compliance, net of actual revenue and cost the generation resources receive in the California Independent System Operator Corporation's (CAISO) energy and ancillary market is recoverable through the NSGC. The administrative cost associated with PG&E's CPE role recoverable through the NSGC pursuant to D. 20-06-002.

2. **APPLICABILITY:** The NSGBA shall apply to all benefitting customers and customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The balancing account shall be trued-up annually.
4. **RATES:** The Cost Allocation Methodology (CAM) rate recovers the net capacity costs associated with NSGBA resources and is set forth in the applicable customer rate schedules.
5. **ACCOUNTING PROCEDURES:** The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:

- a) **Revenues** – the following entry reflects the revenue entry equal to the CAM rate recovering net capacity costs from all CAM-eligible resources.

A credit entry equal to the revenue from the CAM rate from non-exempt retail customers during the month, excluding the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense;

- b) **Net Capacity Costs** - the following entries reflect the net capacity costs associated with eligible resources, by subaccount:

~~a1.~~ **QF/CHP Program** Subaccount Net Capacity Costs

- i. A debit entry equal to the capacity and energy costs for eligible QF/CHP Program contracts;
- ii. A credit entry equal to the energy revenues as established in Appendix A of D.07-09-044, Section IX.B.2 for eligible QF/CHP Program contracts.

iii. Total QF/CHP Program net capacity costs are equal to the sum of lines 5.b.1.i and 5.b.1.ii.

~~b.~~ **Sutter RA Contract** Net Capacity Costs

- ~~i.~~ A debit entry equal to the capacity and energy costs for Sutter RA contract;
- ~~ii.~~ A credit entry equal to the energy revenues, if any, as established in Appendix

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 1

~~A of D.07-09-044, Section IX.B.2 for the CAM-eligible Sutter RA contract.~~

~~-e2.~~ Marsh Landing Power Purchase Agreement (PPA) Subaccount ~~Net Capacity~~
~~Costs~~

- i. A debit entry equal to the capacity and energy costs for the Marsh Landing PPA;
- ii. A credit entry equal to the energy revenues, if any, as established in Appendix A of D.07-09-044, Section IX.B.2 for the CAM-eligible Marsh Landing PPA.

iii. Total Marsh Landing PPA net capacity costs are equal to the sum of lines 5.b.2.i and 5.b.2.ii.

3. Centralized Local Procurement Subaccount

- i. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for non-utility contract resources procured by the CPE;
- ii. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for PG&E contract resources procured by the CPE;
- iii. A debit/credit entry equal to the authorized revenue requirement, fuel costs, and GHG compliance costs, if any, for PG&E UOG resources procured by the CPE;
- iv. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges received by the buyer from the seller as defined in the contract terms and conditions associated with non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE;
- v. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE;
- vi. Administrative costs associated with the CPE role, including but not limited to employee and consultant costs, legal fees, technology systems costs, and credit-related costs associated with CPE procurement of non-utility contracted resources and PG&E contracted resources, including pre-payments and credit and collateral payments, including all associated fees, associated with PG&E's role as the designated CPE in its distribution service area.
- vii. Total net capacity costs are equal to the sum of lines 5.b.3.i, 5.b.3.ii, 5.b.3.iii, 5.b.3.iv, 5.b.3.v, and 5.b.3.vi.

(Continued)



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**Pacific Gas and
Electric Company™***San Francisco, California*

Original

Cal. P.U.C. Sheet No.

32212-E

ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 2

(N)
(N)

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- c) Interest – the following entry equals the interest applied to the sum of revenues and net capacity costs for each subaccount for the month.

1a. A monthly entry equal to interest on the average balance in the sum of the subaccounts at the beginning of the month and the balance in the sum of the subaccounts after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

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Decision 10-07-045

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

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ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 1

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

1. PURPOSE: The purpose of the PABA is to record the “above-market” costs of all generation resources that are eligible for recovery through Power Charge Indifference Adjustment (PCIA) rates.

The PABA is comprised of subaccounts for non-vintaged portfolio resources and each year’s vintage portfolio resources, that records the costs, market revenues, and imputed revenues of all generation resources executed or approved by the Commission for cost recovery that year. Amounts will include costs related to contracts executed with third parties and utility-owned generation.

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts and utility-owned generation (UOG) resources can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the resource would be reclassified back to its original cost recovery mechanism, which in the case of a PCIA-eligible resource would be a PABA vintage subaccount. Pursuant to D.20-06-002, PCIA-eligible resources that are reclassified from NSGC back to PCIA will be exempt from the PCIA rate cap authorized in D.18-10-019.

2. APPLICABILITY: The PABA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. REVISION DATES: Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRa forecast proceeding.
4. RATES: PABA rates are included in the effective rates set forth in each rate schedule.
5. ACCOUNTING PROCEDURES: The PABA consists of three types of subaccounts:

“Non-vintaged Subaccount” records and recovers the above market costs associated with New Qualifying Facility (QF) Standard Offer Contracts (SOC) approved pursuant to D.20-05-006 and any new or existing Standard Contract for QFs 20 MW or Less pursuant to D.10-12-035 (QF Settlement) that the Commission authorizes be recovered on a non-vintaged basis.

“Legacy Utility Owned Generation Subaccount” records and recovers the above market costs associated with adopted revenue requirements related to PG&E-owned generation installed before 2002 (“Legacy UOG”), including capital and related non-fuel operating and maintenance expenses. Legacy UOG includes PG&E’s hydroelectric and nuclear generation facilities.

“Vintage Subaccounts” record and recover the above market power costs associated with PG&E’s authorized procurement plan by vintage. Power costs recorded in each vintage

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 1

subaccount include, but are not limited to, fuel and greenhouse gas (GHG) costs, third party power purchase contracts, and utility owned generation revenue requirements. These costs are offset by CAISO generation revenues, forward sales revenues, and PCIA revenues from customers assigned to the vintage subaccount. Note that each year beginning with 2009 has its own vintage subaccount. Resources are assigned to a vintage portfolio based on the year the generation resource commitment is made (i.e., contract execution date or Commission approval of UOG construction) and customers are assigned to a vintage based on their departure date. Customers who depart before July 1 of a given year are assigned to the prior year's vintage.

(Continued)

Advice 5852-E
Decision D.20-05-006

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Robert S. Kenney
Vice President, Regulatory Affairs

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<i>Resolution</i>	



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 2

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

In Compliance with Decision (D.) 20-06-002, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for resource adequacy will be recovered through the New System Generation Charge (NSGC) and recorded to Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA). Resources recovered through the NSGC and recorded to the CLPSA in the NSGBA will be excluded from the PABA vintage subaccount for the duration of the resources contract with the CPE. At the end of the CPE contract the resource will be reclassified back to its original cost recovery mechanism, which for a PCIA-eligible resource would be to a PABA vintage subaccount. When the resource is reclassified from recovery through the NSGC back to PCIA recovery, the resource will be exempt from the PCIA rate cap adopted in D.18-10-019.

The PCIA vintage each UOG facility is assigned is shown below:

<u>Facility</u>	<u>Vintage Subaccount</u>
Colusa	2009
Gateway	2009
Humboldt	2009
Fuel Cells	2010
Photovoltaic Solar	2010 and 2012

The following entries will be made to the Non-vintaged. Legacy UOG and Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense:

Customer Billed Revenue Entries:

- a. A credit entry equal to PCIA revenues attributable to the Vintage from bundled customers.
- b. A credit entry equal to PCIA revenues attributable to the Vintage from DA customers.
- c. A credit entry equal to PCIA revenues attributable to the Vintage from CCA customers.

Actual Sold Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) Transaction Entries:

- d. A credit entry equal to revenues received for Actual Sold RPS transactions.
- e. A credit entry equal to revenues received for Actual Sold RA transactions.

Retained RPS and RA Value Entries:

- f. A credit entry equal to the Retained RPS Value, determined using the most current Commission-adopted RPS Adder multiplied by Actual Retained RPS quantities. A corresponding debit entry equal to the Retained RPS Value is recorded in ERRa.
- g. A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Actual Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRa.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 2

- h. A credit entry equal to the Retained RA Value, determined using the most current Commission-adopted RA Adder, multiplied by the Actual Retained RA quantities. A corresponding debit entry equal to the Retained RA Value is recorded in ERRA.
- i. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RA Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRA.

Utility-Owned Generation Related Entries:

- j. A debit entry equal to one-twelfth of the electric generation portion of revenue requirement associated with the CPUC authorized pension contribution amount,

(Continued)

<i>Advice</i>	5852-E	<i>Issued by</i>	<i>Submitted</i>	June 15, 2020
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		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 3

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Utility-Owned Generation Related Entries:

- k. A debit entry equal to the annual authorized revenue requirements associated with PG&E's owned generation divided by twelve, excluding PCIA-eligible UOG resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA).
- l. ~~A~~ debit or credit entry, as appropriate, to record ESA costs associated with PCIA eligible generation resources portfolio/ procurement activity (which is embedded in the annual authorized revenue requirements associated with PG&E's owned generation).
- m. A debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric generation non-depreciable asset, as approved by the CPUC.
- n. A debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant Employee Retention Program (see corresponding entry in the Employee Retention Subaccount of the Diablo Canyon Retirement Balancing Account (DCRBA) per Preliminary Statement HK, 5b.1).
- o. A debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant license renewal costs.
- p. A debit entry equal to one-twelfth (or amortization period approved) of the power generation portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

CAISO Related Entries:

- q. A debit or credit entry equal to the net charges or revenues for energy associated with generating resources recovered in PABA, which excludes net charges or revenues for energy associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- r. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in PABA, which excludes net charges or revenues for miscellaneous CAISO charges/credits associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- s. A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in PABA, excluding net charges or revenues for ancillary services associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

Fuel Costs:

- t. A debit entry equal to natural gas fuel and related transportation and miscellaneous expenses for PCIA eligible UOG resources and contracts, excluding expenses in this category that have been allocated to PCIA-eligible UOG and contract resources that have been procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- u. A debit entry equal to distillate fuel and related transportation and miscellaneous expenses used at PG&E's fossil plants as a back-up, excluding expenses in this category that can be

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 3

allocated to PCIA-eligible UOG and contract resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

- v. A debit entry equal to the hydroelectric fuel and related transportation and miscellaneous expenses, excluding expenses in this category that have been allocated to PCIA-eligible UOG and contract resources that have been procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. —The fuel expenses include water purchase costs for the hydroelectric plants.
- w. A debit entry equal to nuclear fuel and miscellaneous expenses for the Diablo Canyon Nuclear Power Plant.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 4

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Fuel Cost (continued)

- x. A debit entry for nuclear fuel carrying costs equal to the interest on the monthly nuclear fuel inventory at the beginning of the month and one-half the balance of the current month's activity, multiplied at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

Contract Costs:

- y. A debit entry equal to total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- z. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC, which excludes non-CTC QF costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- aa. A debit entry equal to bilateral contract obligations, which excludes bilateral costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- ab. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS.
- ac. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts, which excludes QF/non-CHP costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- ad. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA, which excludes combined heat and power costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

GHG Costs:

- ae. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts, which excludes GHG costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

(Continued)

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ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 4

Miscellaneous Costs

- af. A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments.
- ag. A debit entry equal to any other power costs associated with procurement.

(Continued)

<i>Advice</i>	5852-E	<i>Issued by</i>	<i>Submitted</i>	June 15, 2020
<i>Decision</i>	D.20-05-006	Robert S. Kenney	<i>Effective</i>	June 15, 2020
		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 5

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- ah. A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage.
- ai. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.

Interest:

- aj. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

6. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) SUBACCOUNT

The purpose of the PCIA Subaccount is an interim subaccount that tracks the difference between the actual PCIA revenue based on currently effective PCIA rates and the imputed PCIA revenue based on the PCIA rates proposed in PG&E's currently pending ERRR Forecast proceeding in the event the rates in that proceeding are approved after January 1st.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month, or as applicable, excluding an allowance for RF&U account expense, until the authorized PCIA rate is implemented:

- a) A debit entry equal to imputed PCIA revenue based on the PCIA rate as adopted by the Commission;
- b) A credit or debit entry equal to the recorded PCIA revenues; and
- c) A credit or debit entry to transfer the balance as authorized by the Commission.



ELECTRIC PRELIMINARY STATEMENT PART HZ
PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)

Sheet 1

(N)
(N)

HZ. PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)

1. **PURPOSE:** The purpose of the PCIA Undercollection Balancing Account (PUBA) is to record the shortfall in revenues accruing from departing load customers when the cap in the PCIA rate is reached as authorized in Decision (D.) 18-10-019, issued in the Power Charge Indifference Amount (PCIA) Order Instituting Rulemaking (R.) 17-06-026. Starting in 2020, the cap of the PCIA rate is set at 0.5 cents per kWh more than the current cumulative system average rate per vintage.

Pursuant to Decision (D.) 20-06-002, issued in the R.17-09-020, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for recovery through the Centralized Local Procurement Subaccount of the New System Generation Balancing Account (NSGBA) and then are reclassified back to a vintage PCIA-resource at the end of the CPE contract term will be exempt from the PCIA rate cap.

The PUBA is comprised of vintage subaccounts that track the PCIA obligation that accrues by customer vintage if the PCIA rate increase is capped at 0.5 cents per kWh. The PCIA obligation that accrues is a revenue shortfall and is derived by taking the difference between the uncapped PCIA rate by customer class for that vintage and the capped PCIA rate by customer class and vintage multiplied by the departing load usage, by class and vintage. The resulting PCIA obligations or revenue shortfalls will be recorded to PUBA.

Customers are assigned to vintages based on the timing of their departure. Customers that depart on or before June 30 of the current year are assigned the prior year as their customer vintage. Customers that depart on or after July 1 of the current year are assigned the current year as their customer vintage.

~~D.ecision~~ 18-10-019 mandates a trigger mechanism to ensure that an undercollection or overcollection in the PUBA does not exceed 10 percent of a utility's forecast departing load PCIA revenues.

2. **APPLICABILITY:** The PUBA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRA forecast proceeding, or as authorized through a separate application if the trigger is reached.
4. **RATES:** The PUBA does not have a rate component.
5. **ACCOUNTING PROCEDURES:** The PUBA consists of subaccounts by customer vintage year, beginning with 2009.

"Vintage Subaccounts" record and recover the PCIA obligation that accrues when PCIA rates by vintage are capped. Note that each year beginning with 2009 is a separate vintage subaccount.

(Continued)

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Decision	18-10-019	Robert S. Kenney	Effective	September 30, 2019
		Vice President, Regulatory Affairs	Resolution	

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