

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6099E**  
**As of April 5, 2021**

Subject: Establishment of the Microgrids Balancing Account (MGBA)

Division Assigned: Energy

Date Filed: 02-22-2021

Date to Calendar: 02-24-2021

Authorizing Documents: D2101018

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>02-22-2021</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Annie Ho

415-973-8794

[PGETariffs@pge.com](mailto: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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**

February 22, 2021

**Advice 6099-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject:     Establishment of the Microgrids Balancing Account (MGBA)**

**Purpose**

Pacific Gas and Electric Company (“PG&E”) hereby submits this Tier 1 Advice Letter (“AL”) in compliance with California Public Utilities Commission (“CPUC” or “Commission”) Decision (“D.”) 20-06-017 (“Decision”) Ordering Paragraphs (“OPs”) 8, and 16 to establish the Microgrids Balancing Account (“MGBA”).

**Background**

The Commission initiated Rulemaking (“R.”) 19-09-009 to develop a policy framework surrounding the commercialization of microgrids and related resiliency strategies and to implement Senate Bill (SB) 1339 (Stern, 2018).

On July 3, 2020, the assigned Commissioner issued an amended Scoping Memo and Ruling for Track 2. This amended Scoping Memo and Ruling focused on the continued implementation of SB 1339. SB 1339 requires the Commission to implement microgrid standards, protocols, guidelines, methods, rates, and tariffs as well as reduce barriers to microgrid deployment statewide.

On January 21, 2021, the Commission adopted D.21-01-018, which approved the following three elements and directed PG&E, as well as the other utilities, to submit Tier 1 advice letters to establish a new one-way balancing account (with individual subaccounts) to recover costs of the following initiatives/programs:

- Evaluation of electrical isolation technologies;
- Commission consultant costs to evaluate the effectiveness of the rule changes and pilot studies adopted in Decision 20-06-17 (“Microgrids Evaluation”); and
- Deployment of alternatives to diesel substation microgrid projects.

## **Discussion**

Consistent with D.21-01-018, PG&E is submitting a new preliminary statement to implement the Microgrids Balancing Account (“MGBA”) as required by the Decision. Electric Preliminary Statement Part IT, Microgrids Balancing Account will track and record incremental expenses and capital related costs associated with several programs/elements approved by the Commission in D.21-01-018. The MGBA will have three subaccounts:

1. The Electrical Isolation Technology Evaluation subaccount will track and record incremental expenses and capital related costs related to evaluating and approving electrical isolation technologies.<sup>1</sup>
2. The Microgrids Evaluation subaccount will track and record incremental expenses related to reimbursing the Commission for engaging a neutral third-party consultant to review and evaluate the effectiveness of the changes to the electric rules and pilot studies adopted in D.21-01-018.<sup>2</sup>
3. The Clean Substation Microgrid Program subaccount will track and record incremental expenses and capital related costs related to deploying alternatives to diesel substation microgrid projects to pilot the use of non-diesel technologies for reducing the impacts of Public Safety Power Shutoffs (“PSPS”) events.<sup>3</sup>

Per D.21-01-018, recovery of incurred costs for the electrical isolation technology evaluations will be recovered in distribution rates through each utilities Annual Electric True-Up (“AET”). PG&E proposes to recover incurred costs for the Microgrids Evaluation through distribution rates via the AET as well.

Pursuant to OP 17 of D.21-01-018, PG&E will submit a Tier 3 Advice Letter seeking the approval of the specific method of cost allocation and recovery via rates of the costs tracked in the Clean Substation Microgrid Program subaccount.

## **Tariff Revisions**

This Advice Letter proposes to add Electric Preliminary Statement Part IT (MGBA), included herein. In accordance with the Decision, the preliminary statement proposes to record incremental expenses and capital related costs associated with actual expenditures for the programs and/or elements described above. Expense and capital

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<sup>1</sup>The Commission authorized an overall cost cap of \$3 million allocated across PG&E, Southern California Edison Company, San Diego Gas & Electric Company.

<sup>2</sup> The Commission authorized a \$1 million cost cap for the evaluation, subject to a downward adjustment by Energy Division.

<sup>3</sup> The Commission authorized an overall cost cap of \$350 million per utility for Clean Substation Microgrid Program projects.

revenue requirements will be recorded in the appropriate subaccounts as incurred and included in rates for recovery in the following year via the AET.<sup>4</sup>

CPUC approval of this submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **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 March 15, 2021, which is 21 days<sup>5</sup> after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

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<sup>4</sup> The specific method of cost allocation and disposition of costs recorded in the Clean Substation Microgrid program will be determined by the Commission in a subsequent Tier 3 advice letter.

<sup>5</sup> The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

PG&E requests that this Tier 1 advice submittal become effective as of January 1, 2021.

### **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.19-09-009. 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/

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Erik Jacobson  
Director, Regulatory Relations

Attachments

cc: Service List R.19-09-009



# 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 U39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6099-E

Tier Designation: 1

Subject of AL: Establishment of the Microgrids Balancing Account (MGBA)

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 #: D.21-01-018

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: 1/1/21

No. of tariff sheets: 4

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: Electric Preliminary Statement Part II

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

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

<sup>1</sup>Discuss in AL if more space is needed.

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

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

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

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

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
48741-E	ELECTRIC PRELIMINARY STATEMENT PART IT MICROGRIDS BALANCING ACCOUNT (MGBA) Sheet 1	
48742-E	ELECTRIC PRELIMINARY STATEMENT PART IT MICROGRIDS BALANCING ACCOUNT (MGBA) Sheet 2	
48743-E	ELECTRIC TABLE OF CONTENTS Sheet 1	48739-E
48744-E	ELECTRIC TABLE OF CONTENTS Sheet 17	48740-E



**ELECTRIC PRELIMINARY STATEMENT PART II**  
**MICROGRIDS BALANCING ACCOUNT (MGBA)**

Sheet 1

(N)  
(N)

IT. MICROGRIDS BALANCING ACCOUNT (MGBA)

(N)

1. **PURPOSE:** The purpose of the Microgrids Balancing Account (MGBA) is to record actual incremental incurred expenses and capital-related revenue requirement related to the actual incremental capital costs incurred associated with the Electrical Isolation Technology Evaluation, the Microgrids Evaluation, and the Clean Substation Microgrid Program to be implemented pursuant to Decision (D.) 21-01-018. The account is a one-way balancing account and consists of three subaccounts, which separately track the Electrical Isolation Technology Evaluation, the Microgrids Evaluation, and the Clean Substation Microgrid Program.

(N)

2. **APPLICABILITY:** The MGBA shall apply to all electric customer classes, except for those specifically excluded by the Commission.

3. **REVISION DATE:** Disposition of the balances of the Electrical Isolation Technology Evaluation Subaccount and the Microgrids Evaluation subaccount will be in the distribution component of rates through the Distribution Revenue Adjustment Mechanism (DRAM) as part of PG&E's Annual Electric True-up (AET) advice letter filing. The specific method for the disposition of the balance of the Clean Substation Microgrid Program Subaccount will be determined in a future Tier 3 Advice Letter that PG&E will file pursuant to Ordering Paragraph 17 of D.21-01-018.

4. **RATES:** The MGBA does not have a rate component.

5. **ACCOUNTING PROCEDURE:** The MGBA consists of the following subaccounts:

The Electrical Isolation Technology Evaluation Subaccount records actual incurred expenses and capital-related revenue requirement related to the actual capital costs incurred for the Electrical Isolation Technology Evaluation as described in D.21-01-018.

The Microgrids Evaluation Subaccount records actual incurred expenses for the Microgrids Evaluation as described in D.21-01-018.

The Clean Substation Microgrid Program Subaccount records actual incurred expenses and capital-related revenue requirement related to the actual capital costs incurred for the Clean Substation Microgrid Program as described in D.21-01-018.

A. The Electrical Isolation Technology Evaluation Subaccount

The following entries will be made each month, or as applicable, net of Revenue Fees and uncollectibles (RF&U):

1. A debit equal to the actual incremental incurred expenses;
2. A debit or credit entry equal to the capital-related revenue requirement related to the actual incremental capital costs incurred. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;

(N)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART II**  
**MICROGRIDS BALANCING ACCOUNT (MGBA)**

Sheet 2

(N)  
(N)

5. ACCOUNTING PROCEDURE (Cont'd)

(N)

A. The Electrical Isolation Technology Evaluation Subaccount (Cont'd)

- 3. A credit to transfer the balance or amounts to the DRAM for true-up in rates; and
- 4. A debit or credit entry equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount after the above entries, at a rate equal to one-twelfth 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.

B. The Microgrids Evaluation Subaccount

The following entries will be made each month, or as applicable, net of RF&U:

- 1. A debit equal to the actual incremental incurred expenses;
- 2. A credit to transfer the balance or amounts to the DRAM for true-up in rates; and
- 3. A debit or credit entry equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount after the above entries, at a rate equal to one-twelfth 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.

C. The Clean Substation Microgrid Program

The following entries will be made each month, or as applicable, net of RF&U:

- 1. A debit equal to the actual incremental incurred expenses;
- 2. A debit or credit entry equal to the capital-related revenue requirement related to the actual incremental capital costs incurred. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- 3. A credit to transfer all or a portion of the balance or amounts in this subaccount, to other adjustment clauses for future rate recovery, as may be approved by the CPUC; and
- 4. A debit or credit entry equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount after the above entries, at a rate equal to one-twelfth 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

(N)





**ELECTRIC TABLE OF CONTENTS**

Sheet 17

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
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Part GB	Greenhouse Gas Revenue Balancing Account.....	35256,40560-E
Part GC	California Energy Systems for the 21 <sup>st</sup> Century Balancing Account.....	40561-E
Part GD	Smart Grid Pilot Deployment Project Balancing Account.....	32540,32541, 32542-E
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Part GF	Customer Data Access Balancing Account – Electric.....	33136-E
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Part GN	San Francisco Incandescent Streetlight Replacement Account.....	34364-E
Part GO	Disconnection Memorandum Account - Electric (DMA-E).....	34604-E
Part GP	Green Tariff Shared Renewables Memorandum Account (GTSRMA).....	40566,40567, 40567-E
Part GQ	Energy Efficiency Financing Balancing Account – Electric (EEFMA-E).....	35292,35293,35294-E
Part GR	Green Tariff Shared Renewables Balancing Account (GTSRBA).....	40569,40570,35377-E
Part GS	Residential Rate Reform Memorandum Account (RRRMA).....	40571,40572-E
Part GT	Assembly Bill 802 Memorandum Account - Electric.....	40573-E
Part GU	Z-Factor Memorandum Account (ZFMA-E).....	40574-E
Part GV	Distribution Interconnection Memorandum Account (DIMA).....	40575-E
Part GY	Electric Vehicle Program Balancing Account (EVPBA).....	40576-E
Part GZ	Distributed Energy Resources Distribution Deferral Account.....	43656,43657,43658-E
Part HA	Avoided Cost Calculator Memorandum Account.....	40000-E
Part HB	Distribution Resources Plan Demonstration Balancing Account.....	40577-E
Part HC	Rule 20A Balancing Account.....	41736-E
Part HD	Tax Memorandum Account (TMA-E).....	41088-E
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Part HH	Transportation Electrification Balancing Account (TEBA).....	44688,44689,44690,44691, 42579,42580,42581,44692-E
Part HI	Solar On Multifamily Affordable Housing Balancing Account (SOMAHBA).....	41781-E
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Part HL	Wildfire Expense Memorandum Account (WEMA-E).....	42604, 42605-E
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Part IB	General Rate Case Memorandum Account – Electric (GRCMA-E).....	45750*,45751*-E
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(Continued)

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

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

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

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie

Green Power Institute  
Hanna & Morton  
ICF

IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

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

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy