

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6117E
As of August 6, 2021

Subject: Requesting Adjustment to the 2022 Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

Division Assigned: Energy

Date Filed: 03-16-2021

Date to Calendar: 03-19-2021

Authorizing Documents: E-4999

Disposition:

Signed

Effective Date:

08-05-2021

Resolution Required: Yes

Resolution Number: E-5125

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

415-973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

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

March 16, 2021

Advice 6117-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Requesting Adjustment to the 2022 Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

Purpose

Pursuant to Ordering Paragraph (OP) 2 of California Public Utilities Commission (CPUC or Commission) Resolution E-4999,¹ Pacific Gas and Electric Company (PG&E or the Company) submits this Tier 3 Advice Letter to request an adjustment to the administrative and marketing budget caps for the Community Solar Green Tariff (CS-GT) program.

Background

Resolution E-4999 OP 2 directs that beginning with the 2021 program budgets for the Disadvantaged Community Green Tariff (DAC-GT) and CS-GT, PG&E, SCE, and SDG&E are to “allocate no more than 10 percent of each program’s budget in a given year for program administration and no more than 4 percent of each program’s budget in a given year for ME&O [marketing, administration, and outreach].”² For 2019 and 2020 program costs only, the utilities may propose administrative and ME&O costs that are above the 10 percent and 4 percent caps, to account for any start-up costs that may be higher in the first years of the program. Finally, the utilities “are authorized to submit a Tier 3 advice letter requesting an adjustment to the 10 percent administrative and 4 percent ME&O budget allocations with an accompanying rationale for why the adjustment is necessary.”³

¹ Resolution E-4999. *Pursuant to Decision 18-06-027, Approving with Modification, Tariffs to Implement the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs*. May 30, 2019.

² Resolution E-4999, p. 67, OP 2.

³ Resolution E-4999, p. 67, OP 2.

Detail

Resolution E-4999 states “Acknowledging that start-up costs may be higher within the first years of the program, the IOUs may propose administrative and ME&O costs that are above the 10 percent and 4 percent caps established in this Resolution for the 2019 and 2020 program budgets only.”⁴

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

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

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

Timing of the CS-GT Program

Using DAC-GT startup costs as a basis for CS-GT costs is a starting point. However, due to timing differences in the rollout of the DAC-GT and CS-GT programs, the timing of start-up costs in relation to overall program budget differs greatly between the two programs. For DAC-GT, OP1(I) of Resolution E-4999 directed that PG&E begin enrolling customers 9 months after issuance of the Resolution, dated June 3, 2019.⁵ In order to be able to enroll eligible customers and provide them with the mandatory 20 percent bill discount, PG&E prioritized the IT development and deployment of the DAC-GT program, which took place during both 2019 and 2020. IT costs are typically the most significant portion of administrative costs; in 2019 they accounted for 90 percent of DAC-GT's costs overall, as indicated in Table 1. Accordingly, PG&E and the other utilities were exempted from meeting the budget caps during these “start-up” years⁶.

⁴ Resolution E-4999, p. 29.

⁵ Resolution E-4999.

⁶ Resolution E-4999, OP 2.

Table 1: DAC-GT 2019 Expenditures

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

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

In contrast, CS-GT start-up activities will ramp up in 2020 through 2022, and potentially into 2023. Some activities will continue for indefinitely. Customer enrollment for CS-GT will occur when procured community projects begin coming online. Unlike the DAC-GT program, the CS-GT program cannot use an “interim pool” of solar resources, since participants will subscribe to the output of a particular solar project in or near their community. Following the Energy Division’s January 6, 2020 approval of PG&E Advice Letter 5610-E, *Request for Approval of Solicitation Documents for the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Programs* (August 2, 2019), PG&E began its first solicitation for the DAC-GT and CS-GT programs on March 5, 2020. Considering the time required for the solicitation, offer review, approval, and CPUC confirmation, for purposes of this budget forecast, PG&E estimates that the *soonest* CS-GT and DAC-GT projects may come online is early 2022.

As such, the IT billing system costs are expected to be incurred primarily across 2021, and 2022. Additionally, the program’s ME&O costs, which are largely focused on funding for third-party community-based sponsors, is expected to incur primarily in 2021 and 2022, and potentially into 2023 depending upon the timing of project development.

As stated previously, PG&E estimates for purpose of this budget forecast that the *soonest* projects may begin coming online is early 2022. As such, in 2020 and 2021, the CS-GT program has neither above-market generation costs, nor 20 percent discount costs. In addition, in 2022, the CS-GT program has the added challenge from a budget cap perspective of having only a portion of the year with above-market generation and 20 percent discount costs. As a result, the ratio of administrative and marketing costs to overall program costs are skewed in 2020, 2021, and 2022, with a higher-than-normal ratio of administrative and marketing costs.

Table 2 presents the 2022 budget request for CS-GT, as submitted in AL 6075-E, the *2022 Budget Request for the Disadvantaged Community Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) Programs*.

Table 2: 2022 CS-GT Budget

	2022	% OF TOTAL
Generation	\$210,450	
20% Discount	\$266,628	
Administrative	\$988,151	67%
Marketing, Education & Outreach	\$263,867	18%
Total CS-GT Program Costs	\$1,465,229	

As shown in the 2022 CS-GT budget, the proportion of administrative costs as a percent of total program costs in 2022 is 67 percent, and the proportion of marketing, education, and outreach costs as a percent of total program costs is 18 percent. These percentages are due not only to the IT costs and sponsor outreach support, but to the relatively “low” generation and 20 percent discount costs due to the timing of the projects, and as described below, the size of the CS-GT program.

Size of the CS-GT Program

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

If PG&E’s allocation of 14.2 MW for the CS-GT program were fully subscribed, the program would have a “maximum” estimated budget, under conservative (assuming low costs and rounding figures down within reason) assumptions, prior to administrative and marketing costs, of \$2.35 million⁷. As shown in Table 3, 10 percent of this amount is \$234,586, and 4 percent of this amount is \$93,834.⁸

⁷ Assumptions shown in Appendix A.

⁸ While the actual 10 percent and 4 percent values would increase with the addition of administrative and ME&O costs, this provides a ballpark framework for consideration.

Table 3: Estimated CS-GT Costs at Full Program Subscription (“Steady State”)

	STEADY STATE	% OF TOTAL
Generation (a)	\$1,037,870	
20% Discount	\$1,066,513	
Administrative	\$241,477	10.3%
Marketing, Education & Outreach	\$12,511	0.5%
Total CS-GT Program Costs	\$2,345,859	

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

Unlike for DAC-GT, the CS-GT program has no floor on the size of projects, which means that the 14.2 MW may consist of many solar projects. This will require significant resources from PG&E’s Procurement and Contract Management teams to manage. The Contract Management efforts will continue even after the initial procurement efforts have subsided. PG&E cannot predict exactly when they will come online. Additionally, Program Management (sponsor support, budget, reporting, regulatory filings, program oversight, etc.) and contact center support will be required, as well as possible website or IT maintenance work. \$234k is the minimum that PG&E expects to spend to execute against program requirements and responsibilities. This calculation does not leave room for error, improvements, IT or processes that will require fixes over time, nor does it account for any turnover in projects or enrollment – all of which are reasonably likely to occur, and will all increase the budget requirements for the program above the budget cap.

Summary

The CS-GT program is unique in several ways. Its projects will not begin coming online until 2022 at the earliest. The program requires the involvement of a CBO and local sponsor engagement, for which PG&E has budgeted \$263k in total ME&O funds. Procurement, Contract Management, Program Management, and Contact Center labor may continue for many years. Finally, the relatively small 14.2 MW size of the program means that even under a full subscription scenario, a budget cap of 10 percent for administration and 4 percent for ME&O may not provide sufficient funding to support the program in a steady state scenario. The funding will likely be insufficient even assuming the lowest possible administrative costs in 2023 and post-startup program years following.

D.18-06-027, OP 15 directs PG&E to track all costs related to the implementation and operation of the DAC-GT and CS-GT programs in its balancing accounts, to be reviewed in the annual Energy Resource Recovery Account (ERRA) proceeding.⁹

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 April 5, 2021, which is 20 days after the date of this submittal. Protests must be submitted to:

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

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

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

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

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

⁹ D.18-06-027, p. X, OP 15.

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

Pursuant to General Order (GO) 96-B, Rule 5.3, and Resolution E-4999 OP 2, this advice letter is submitted with a Tier 3 designation. PG&E requests that this Tier 3 advice submittal become effective upon Commission approval.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.14-07-002. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments:

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

cc: Service List R.14-07-002



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) #: 6117-E

Tier Designation: 3

Subject of AL: Requesting Adjustment to the 2022 Administrative and Marketing Budget Caps for the Community Solar Green Tariff (CS-GT) Program

Keywords (choose from CPUC listing): Compliance, Solar

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Res. E-4999

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

PACIFIC GAS AND ELECTRIC COMPANY

Appendix A

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

Appendix A

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

CS-GT Generation Costs

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

Assumption	Value	Note
2021 Premium Estimate	2.78	Cents/kWh
Program Cap	14.20	MW
Net Capacity Factor	30%	Estimate
Yearly MWh at Full Subscription	36,074	Hours
CS-GT Expected Generation Costs <i>(yearly MWh x Premium Estimate (cents/kWh) x1000)/100</i>	1,037,869.60	Dollars (total/year)

CS-GT 20 Percent Discount Costs

Assumption	Value	Note
Program Cap	14.20	MW
Net Capacity Factor	30%	Estimate
Program Enrollment at Cap	2,965	SA IDs - 25% of discount estimated to go to sponsors
Estimated Monthly CS-GT Low-Income Customer Discount (after CARE)	\$ 70.45	Dollars
2021 Est. Monthly DAC-GT Customer bill (After CARE Discount)	\$ 112.41	Estimated from DAC-GT enrollments
2021 Est. Monthly DAC-GT 20% Discount	\$ 22.48	
Total CS-GT Bill Discount Costs	\$ 1,066,512.93	

Summary of CS-GT Expected Steady State Costs (Totals)

Assumption	Value
Generation Cost	\$1,037,870
20% Bill Discount	\$1,066,513
Program Management Costs	\$156,977
IT Costs	\$84,500
Expected CS-GT Steady State Program Budgets	\$2,345,859

**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