

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6150E**  
**As of May 26, 2021**

Subject: Implementation of pre-Permission To Operate (PTO) reservation system for the Option S rate modifier available to PG&E's B19, B19V, and B20 customers.

Division Assigned: Energy

Date Filed: 04-02-2021

Date to Calendar: 04-07-2021

Authorizing Documents: None

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>05-02-2021</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:

Kimberly Loo

(415)973-4587

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

April 2, 2021

**Advice 6150-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Implementation of pre-Permission To Operate (PTO) reservation system for the Option S rate modifier available to PG&E's B19, B19V, and B20 customers.**

**Purpose**

Pacific Gas and Electric Company (PG&E) requests approval to implement a pre-Permission to Operate (PTO) reservation system for the Option S rate modifier available for PG&E's rates B19, B19V, and B20 in an effort to address the concerns of the energy storage development industry.

The energy storage industry has advocated for a pre-PTO reservation system for the Option S rate modifier, which is available to PG&E customers on rates B19, B19V, and B20 and is capped at 50 MW separately for each rate. A reservation system would reduce the risk to developers of assuming they would qualify for Option S based on availability at project initiation, before reaching PTO, and then not qualifying for Option S at the time they reach PTO and are finally able to enroll because the applicable 50 MW cap has since been reached.

**Background**

Decision 18-08-013 was issued on August 9<sup>th</sup>, 2018 and accepted various settlement agreements that included changes to PG&E's rate designs. Ordering paragraph (OP) 32 ordered the creation of the Option S rate and described the characteristics it must have. OP 33 ordered that the enrollment in Option S for the three eligible rates, B19, B19V, and B20 be capped at 50 MW each, for a total of 150 MW in the program.

On September 10<sup>th</sup>, 2019, PG&E submitted Advice 5626-E to implement the Option S rate along with other Commercial and Industrial rate schedules and to make corresponding changes to various forms. On October 23, 2019, Advice 5626-E was approved and became effective on November 1<sup>st</sup>, 2019. In addition, PG&E created a

webpage with general information about Option S and a tracker of enrolled capacity that is updated monthly.<sup>1</sup>

Option S is a rate that is available for customers with qualifying storage devices installed at their facilities, and meeting other criteria. It inherently requires the storage device to have been installed and to have achieved PTO in order to enroll in the rate. As explained further in this Advice Letter, this structure may create uncertainty for project developers since it requires a project to be completely funded, constructed, and commissioned before a customer can be enrolled into a rate that which may or may not be available at the time of PTO to the capacity caps.

As early as October 2019 representatives within the solar and storage industry, primarily California Storage and Solar Association (CalSSA) and the Solar Energy Industries Association (SEIA), identified the challenge of this uncertainty and began to advocate for the ability to reserve capacity within the rate prior to enrollment. Over the past year, PG&E has continued conversations with solar and storage industry representatives to further understand the challenges they see with managing enrollment. Through this collaboration, PG&E has developed a pre-PTO reservation process, outlined in this Advice Letter.

On September 22<sup>nd</sup>, 2020, PG&E met with CalSSA to provide a detailed walk through of the pre-PTO Option S reservation system described here and to solicit feedback. CalSSA provided a minor adjustment, and sent the process proposal directly to some of their clients who have the most interest in utilizing Option S. These companies included Stem, Tesla, Engie, Enel, and Sunpower. Only one provided a comment. All suggestions were incorporated. Overwhelmingly, the response to the document was positive, and it is believed to satisfy the needs articulated by the solar and storage industry.

## **Discussion**

Due to the 50 MW cap for each rate, there is potential risk for a project developer that by the time their project has reached PTO, capacity within Option S is exhausted, even if capacity is available at the beginning of a project. As the project moves from development to design, permitting, construction, commissioning to PTO, the sunk cost into the project will grow. Between the time of initiation and the completion of a project, enrollment in Option S may reach its capacity cap, leaving the project developer with an in-flight project that now has lost access to a price structure that it was designed to optimize.

Through conversations with industry stakeholders, there is currently hesitation from solar and storage representatives to develop and construct a project without assurances that they would be able to enroll in Option S.

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<sup>1</sup> Available at: [https://www.pge.com/en\\_US/for-our-business-partners/interconnection-renewables/larger-self-generation-programs/option-s.page?ctx=large-business](https://www.pge.com/en_US/for-our-business-partners/interconnection-renewables/larger-self-generation-programs/option-s.page?ctx=large-business)

PG&E has observed a low level of enrollment over the past 17 months of Option S availability. As shown on PG&E's Option S tracker web page at the time of this filing, Option S enrollment to date is approximately 3.5 MW of the 150 MW total, or 2.3%. There may be multiple factors contributing to low enrollment rates, one of which is likely the risk explained above.

This is consistent with the feedback from CalSSA that the PTO requirement for enrollment and the lack of guaranteed access to the Option S rate modifier is preventing developers from advancing energy storage projects. Table 1 below summarizes Option S enrollments as of the last update on March 25, 2021.

Table 1. Currently enrolled on Option S and operating (Received PTO)		
Rate	Number of Customers	MW
B19V	0	0
B19	5	2.7
B20	2	0.8

In addition, PG&E's Option S data shows a large number of existing customers are eligible for Option S but are not choosing to take service on Option S. Table 2 below shows storage interconnection applications by category of rate eligibility for customers that would be eligible for service on Option S. This may suggest that there are other factors contributing to the low enrollments as well. These data are also on the PG&E Option S webpage.

Table 2. Existing storage interconnections by category of rate eligibility for customers that would be eligible for – and may elect to take service on – Option S		
Rate	Number of Customers	MW
B19V	45	6.8
B19	199	39.5
B20	41	35.5

### **Process Proposal**

PG&E proposes to implement a pre-PTO reservation system for the Option S rate modifier in an effort to address the concerns articulated above. The pre-PTO reservation system will reduce the risk to solar and storage developers of not qualifying for Option S at the time of post-PTO enrollment and the possibility that any of the available rate classes reaches the maximum capacity of 50 MW by the time a project reaches PTO.

PG&E's proposed pre-PTO reservation system would enable customers that are eligible to reserve enrollment in Option S prior to PTO through PG&E's interconnection process.

PG&E customers will begin the reservation process on PG&E's [Option S](#) web site, where they will be prompted to fill out a preformatted email and attach the signed interconnection agreement and send it to a dedicated email address. Once the customer's Option S reservation request is received, PG&E will verify the reservation request for completeness within 5 business days. Once a request is confirmed complete, PG&E will then conduct an Option S eligibility check within an additional 5 business days, and then confirm there is capacity left in the Option S cap to accommodate the customer's project. PG&E will then notify the customer of their status of enrollment or provide the reason(s) the request was denied. A customer reservation will be held for 18-months initially, and the customer can request up to two six-month extensions, by sending the request for extension and reason(s) to the dedicated email address.

Once the reservation process is in place, only PG&E customers that have reserved Option S capacity through this process will be considered for enrollment into Option S. Limiting enrollment to this single process ensures that reserved capacity cannot be taken by a project which enrolls through an alternate process. For example, if a project enrolls in Option S outside the reservation process and causes the cap to be reached while another project is in its five-day eligibility check window, the capacity that was available and should have been set aside for that reservation will have been already taken. In this scenario the certainty afforded by a reservation system breaks down.

To ensure a smooth transition to the reservation process, PG&E will provide reservation process instructions on its Option S site at least 60 days prior to the initiation of the process and at least 30 days prior to the initiation of the process, PG&E will notify applicants with pending interconnection applications that are eligible for Option S that the new reservation process is going to into effect.

On PG&E's [Option S Tracker](#) web site, PG&E will continue to report Option S capacity.

The 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](mailto: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 22, 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, 4<sup>th</sup> Floor  
San Francisco, California 94102

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

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

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

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

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

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

### **Effective Date**

Pursuant to General Order (GO) 96-B, Rule 5.2, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, May 2, 2021 which is 30 calendar days after the date of submittal.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.16-06-013, R.12-11-005, and 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/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

cc: Service Lists A.16-06-013, R.12-11-005, and 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) #: 6150-E

Tier Designation: 2

Subject of AL: Implementation of pre-Permission To Operate (PTO) reservation system for the Option S rate modifier available to PG&E's B19, B19V, and B20 customers.

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

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

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

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

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

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

Resolution required?  Yes  No

Requested effective date: 5/2/21

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 proposed<sup>1</sup>: N/A

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

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

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

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

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

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

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

AT&T  
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