

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6295E**  
**As of September 13, 2021**

Subject: Establishment of the Microgrid Reservation Capacity Component-Standby Charge  
Suspension Account

Division Assigned: Energy

Date Filed: 08-16-2021

Date to Calendar: 08-18-2021

Authorizing Documents: D2107011

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>08-16-2021</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:

Stuart Rubio

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



**Sidney Bob Dietz II**  
Director  
Regulatory Relations

Pacific Gas and Electric Company  
77 Beale St., Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415-973-3582

August 16, 2021

**Advice 6295-E**

(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

**Subject: Establishment of the Microgrid Reservation Capacity Component-  
Standby Charge Suspension Account**

**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.") 21-07-011 ("Decision") Ordering Paragraph ("OP") 1 to establish the Microgrid Reservation Capacity Component-Standby Charge Suspension Account ("MSCSA").

**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 3. 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 July 15, 2021, the Commission adopted D.21-07-011, which approved the following elements and directed PG&E, as well as the other utilities, to submit Tier 1 advice letters to establish a new two-way balancing account to track the revenue shortfall associated with the suspension of the capacity reservation component of the standby charge, record any incremental costs associated with implementing D.21-07-011, and track revenue received from the Demand Assurance Amount.

**Discussion**

Consistent with D.21-07-011, PG&E is submitting a new preliminary statement to implement the Microgrid Reservation Capacity Component-Standby Charge Suspension Account (“MSCSA”) as required by the Decision. Electric Preliminary Statement Part JD, Microgrid Reservation Capacity Component Standby Charge Suspension Account (“MSCSA”) will track the costs associated with the suspension of the capacity reservation component of the standby charge.

This two-way balancing account shall record the difference in revenue collected from customers who qualify for the suspension as compared to the revenue that would have been collected had they not been eligible for the suspension. Revenue shortfalls are pre-approved for ratepayer recovery in distribution rates using standard distribution cost allocation factors.

The MSCSA shall also track the revenue received from the Demand Assurance Amount should a microgrid’s generation fail or be insufficient to meet its demand, and the microgrid customer relies on the utility to keep the lights on for its customer. The revenue received from the Demand Assurance Amount shall be tracked in a subaccount within the Microgrid Capacity Reservation Component-Standby Charge Suspension Account, called the “Demand Assurance Amount Account.”

This two-way balancing account shall also, in a separate sub-account, record any incremental costs associated with implementing the decision.

Recovery of the balances in the MSCSA will be annually through each utility’s electric rate true-up advice letter filings.

**Tariff Revisions**

This Advice Letter proposes to add Electric Preliminary Statement Part JD (MSCSA), included herein. In accordance with the Decision, the preliminary statement proposes to track the costs associated with the suspension of the capacity reservation component of the standby charge. Specifically, the revenue shortfall, Demand Assurance Amount, and implementation costs will be recorded in the appropriate subaccounts as incurred and included in distribution rates for recovery in the following year via the Annual Electric True-up (AET) advice letter process.

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, 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 6, 2021**, which is 21<sup>1</sup> 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:

Sidney Bob Dietz II  
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

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<sup>1</sup> The 20-day protest period concludes on a weekend; therefore, PG&E is moving this date to the following business day.





# 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 (U 39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@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) #: 6295-E

Tier Designation: 1

Subject of AL: Establishment of the Microgrid Reservation Capacity Component- Standby Charge Suspension Account

Keywords (choose from CPUC listing): Compliance, Capacity, Standby Service

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 21-07-011

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: N/A

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: 8/16/21

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: See attachment 1

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: Sidney Bob Dietz II, 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	
51190-E	ELECTRIC PRELIMINARY STATEMENT PART JD MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) Sheet 1	
51191-E	ELECTRIC PRELIMINARY STATEMENT PART JD MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) Sheet 2	
51192-E	ELECTRIC TABLE OF CONTENTS Sheet 1	50646-E
51193-E	ELECTRIC TABLE OF CONTENTS Sheet 17	50647-E



**ELECTRIC PRELIMINARY STATEMENT PART JD** Sheet 1  
MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) (N)

JD. Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) (N)

1. PURPOSE: The purpose of the Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) is to track the costs associated with the suspension of the capacity reservation component of the standby charge pursuant to Decision (D.) 21-07-011. The MSCSA is a two-way balancing account that consists of separate subaccounts to separately track the revenue shortfall from the suspension of the capacity reservation component of the standby charge, the revenue received from the Demand Assurance Amount, and the costs to implement the decision. (N)
2. APPLICABILITY: The MSCSA shall apply to all electric customer classes, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balances of the MSCSA will be in the distribution component of rates through the Distribution Revenue Adjustment Mechanism (DRAM) on an annual basis as part of PG&E's Annual Electric True-up (AET) advice letter filing.
4. RATES: The MSCSA does not have a rate component.
5. ACCOUNTING PROCEDURE: The MSCSA consists of the following subaccounts:

The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount is a two-way balancing account that records the revenue shortfall on the capacity reservation charge that would have been collected had the customer(s) not been eligible for the suspension.

The Demand Assurance Amount Subaccount is a two-way balancing account that records the revenue received from the Demand Assurance Amount should a microgrid's generation fail or be insufficient to meet its demand, and the microgrid customer relies on the utility to keep the lights on for its customer in accordance with D.21-07-011.

The Implementation Costs Subaccount is a two-way balancing account that records actual incurred incremental expenses and capital-related revenue requirement related to the actual incremental capital costs incurred to implement D.21-07-011, including, but not limited to, billing system changes and administration of the new rate structure.

A. The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount:

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

1. A debit entry equal to the revenue shortfall on the capacity reservation charge that would have been collected had the customer(s) not been eligible for the suspension;
2. A debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates; (N)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART JD** Sheet 2  
MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) (N)

JD. Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) (N)

A. The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount (Cont'd): (N)

3. A debit or credit entry, as appropriate, 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 Demand Assurance Amount Subaccount:

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

1. A credit entry equal to the revenue received from the Demand Assurance Amount;
2. A debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates;
3. A debit or credit entry, as appropriate, 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 Implementation Costs Subaccount:

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

1. A debit entry to the actual incurred incremental expenses to implement D.21-07-011;
2. A debit or credit entry, as appropriate, equal to the capital-related revenue requirement related to the actual incremental capital costs incurred to implement D.21-07-011. 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 debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates;
4. A debit or credit entry, as appropriate, 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)

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Advice 6295-E  
Decision 21-07-011

Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs

Submitted August 16, 2021  
Effective  
Resolution



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Part GY	Electric Vehicle Program Balancing Account (EVPBA).....	40576-E
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**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

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

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