

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4500G/6345E
As of May 6, 2022

Subject: Pacific Gas and Electric Company's 2022 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Division Assigned: Energy

Date Filed: 09-30-2021

Date to Calendar: 10-04-2021

Authorizing Documents: D1412083

Disposition:	Accepted
Effective Date:	10-30-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

September 30, 2021

Advice 4500-G/6345-E

(Pacific Gas and Electric Company U 39 M)

Public Utilities Commission of the State of California

**Subject: Pacific Gas and Electric Company's 2022 Annual Low Carbon Fuel
Standard Credit and Revenue Estimate**

Purpose

Pursuant to Ordering Paragraph (OP) 5 and Appendix C of Decision (D.) 14-12-083, Pacific Gas and Electric Company (PG&E) hereby submits its 2022 Annual Low Carbon Fuel Standard (LCFS) Credit and Revenue Estimate (2022 Annual Estimate).

The requirement in D.14-12-083 states that the utilities shall submit the following:

Tier 2 Advice Letter (AL) filed no later than September 30 of each year beginning in 2015 containing information about LCFS credits and revenues for the following calendar year:

- a. An estimate of the number of credits the utility expects to generate for the following year;
- b. An estimate of the amount of revenue the utility expects to generate from the sale of those credits;
- c. An estimate of the balance that will be in the utility's balancing account on January 1 of the following year;
- d. An estimate of the cost of administering the LCFS credit program in the following year, including customer outreach expenses;
- e. An estimate of the amount of revenue that will be distributed to customers in the following year; and
- f. An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.

Background

Under the California Air Resources Board's (CARB) current LCFS regulation,¹ providers of alternative fuels with carbon intensities that meet the LCFS program targets² are eligible to voluntarily opt-in to the LCFS program to generate LCFS credits.³ Electric distribution utilities⁴ that choose to opt-in to the LCFS program act as proxy regulated entities on behalf of their customers and receive LCFS credits for electricity supplied through residential electric vehicle (EV) charging equipment.⁵ Natural gas utilities that choose to opt-in to the LCFS program and own fueling stations at which fossil compressed natural gas (CNG) is dispensed to vehicles for transportation use will receive LCFS credits for fueling by public customers and their own vehicle fleets.⁶

On March 24, 2011, the California Public Utilities Commission (Commission or CPUC) opened Rulemaking (R.) 11-03-012 to address various issues related to greenhouse gas (GHG) emissions. Track 2 of R.11-03-012 addresses the use of revenues that electric and natural gas utilities (collectively, "IOUs") may receive from the sale of LCFS credits pursuant to CARB's LCFS regulation.

On May 19, 2014, the Commission issued D.14-05-021, which authorized the IOUs to sell their LCFS credits and established the criteria and reporting requirements for the sale of these credits, pursuant to Public Utilities Code Section 853(b).⁷ Additionally, the Commission directed the utilities that have opted-in to the LCFS program and wish to sell LCFS credits to file a Tier 2 AL to propose their upfront standards and plans to sell their LCFS credits, as well as the policies to return the LCFS revenue to customers. Upon approval of the AL, the IOUs may begin selling LCFS credits and recover associated costs from the sales revenue.⁸

On December 18, 2014, the Commission issued D.14-12-083, which approved the IOUs' use of several different methods to return revenue from the sale of LCFS credits. For electric utilities, the Commission authorized use of either a one-time or annual rebate, or a combination of both. For natural gas utilities, the Commission authorized use of a reduction in the fuel price at utility-owned natural gas fueling stations or a credit applied to the customer's utility bill. In D.14-12-083, the Commission modified the requirements set forth in D.14-05-021⁹ and required the IOUs to submit a Tier 2 AL containing an

¹ 17 CCR § 95480 et seq.

² 17 CCR § 95482.

³ 17 CCR § 95484(a)(6)(A), p. 35 ("For transportation fuel supplied through EV charging equipment in a single or multi-family residence, the Electrical Distribution utility is eligible to opt-in as the regulated party in their service territory.")

⁴ 17 CCR § 95481(a)(23), p. 12 ("Electrical Distribution Utility" means an entity that owns or operates an electrical distribution system.)

⁵ D.14-12-083, p. 6.

⁶ *Id.*

⁷ D.14-05-021, Ordering Paragraph 1.

⁸ D.14-05-021, Ordering Paragraphs 1, 6.

⁹ D.14-12-083, p. 32.

Implementation Plan describing the IOUs' plans for the sale of LCFS credits and return of revenue in accordance with the AL filing requirement in Appendix A of D.14-12-083.¹⁰ The Tier 2 AL must be approved prior to commencement of the sale of LCFS Credits and the recovery of associated costs from the sales revenue.¹¹

On March 18, 2015, PG&E filed AL 3575-G/4604-E containing its Implementation Plan. Pursuant to the requirements in D.14-12-083, the Implementation Plan outlined PG&E's proposed requirements for LCFS credit sales, provided a forecast of 2015 revenue return activity, and described the proposed process for identifying revenue recipients, calculating rebate amounts, and processing rebates. The Implementation Plan also created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of consigned LCFS credits, any approved program costs, and the LCFS revenues returned to customers. On August 7, 2015, the Commission approved PG&E's AL 3575-G/4604-E, effective immediately.

In February 2020, the Commission issued a ruling with the draft Transportation Electrification Framework, which covered a variety of topics related to the utilities and transportation electrification including policies to support and ensure efficient implementation of the LCFS program. The Commission issued D.20-12-027 on the LCFS electric credit holdback revenue utilization by the Investor Owned Utilities (IOU) on December 17, 2020, which created requirements for the use of the LCFS holdback revenue and directed each IOU to file an Implementation Plan via a Tier 2 Advice Letter with at least one program proposal within 180 days of the decision. In accordance with D.20-12-027, PG&E filed AL 6226-E¹² with the 2021 LCFS Implementation Plan which included five program proposals in June 2021 and is currently awaiting CPUC approval, expected in November 2021. As described in the Implementation Plan, PG&E will continue to report the forecast of LCFS program and financial data through annual forecasts and reports.

Annual Forecast

PG&E's annual forecast of LCFS program and financial data for 2022 is provided in CONFIDENTIAL Attachment A of this filing.

This forecast includes spend for the LCFS Holdback Programs proposed in PG&E's 2021 LCFS Implementation Plan, which is still awaiting CPUC approval. As a result, the final spend for the programs in 2022 may differ from what is included in the forecast.

¹⁰ D.14-12-083, Ordering Paragraphs 2, 3.

¹¹ D.14-05-021, Ordering Paragraphs 1, 6.

¹² https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6226-E.pdf

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than **October 20, 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:

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 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).

Confidentiality

PG&E requests confidential treatment of the redacted information in this AL. Pursuant to D.16-08-024, a confidentiality declaration describing the information in this advice filing for which PG&E requests confidential treatment and the justification for protecting the confidentiality of the information is provided in Public Attachment B.

The confidential material in this advice filing will be made available to non-market participants in accordance with and upon execution of PG&E's Proposed Non-Disclosure Certificate Agreement. Parties wishing to obtain access to the confidential material of this advice filing may contact Kristin Charipar in PG&E's Law Department at kdcj@pge.com to obtain a non-disclosure agreement.

Tier Designation

Pursuant to D.14-12-083, this advice filing is submitted with a Tier 2 designation.

Effective Date

PG&E requests that this Tier 2 advice submittal become effective upon **October 30, 2021**, which is 30 calendar days from the submittal date.

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.11-03-012**. 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/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

Attachment A: Pacific Gas and Electric Company's 2022 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Attachment B: Declaration Supporting Confidential Designation on Behalf of Pacific Gas and Electric Company Pursuant to D.16-08-024

cc: Service List R.11-03-012



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 M)

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) #: 4500-G/6345-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's 2022 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

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.14-12-083

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: See Confidential Declaration and Matrix
 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: Suncheth Bhat, S2B9@pge.com, 415-973-3299.

Resolution required? Yes No

Requested effective date: 10/30/21

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 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: 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

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

CONFIDENTIAL

Market Sensitive Information Protected Under General Order 66-C,
Public Utilities Code Section 454.5(g), Government Code Section 6254(k), and
Decisions 06-06-066 and 08-04-023

ATTACHMENT A

**PACIFIC GAS AND ELECTRIC COMPANY'S 2022 ANNUAL LOW
CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE**

PACIFIC GAS AND ELECTRIC COMPANY'S 2022 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE

I. INTRODUCTION

Pursuant to Ordering Paragraph (OP) 5 and Appendix C of Decision (D.) 14-12-083, Pacific Gas and Electric Company (PG&E) presents the following annual estimate for the calendar year 2022 for the sale of Low Carbon Fuel Standard (LCFS) credits and return of associated revenue to eligible electric and natural gas customers.

PG&E submitted a new implementation plan for its LCFS programs on June 15, 2021 in response to D.20-12-027.¹³ As of the submission of this annual forecast, the implementation plan had not yet been approved, therefore the program estimates presented here follow the ones proposed for the new programs in the plan.

The estimated values below represent reasonable assumptions based on current LCFS prices, electric vehicle adoption rates, program participation, program administrative costs, and other factors. The actual variables and the resulting revenues and program costs could differ significantly from the figures provided in this 2022 Annual Estimate.

A. Program Summary

The June 2021 implementation plan proposed five new LCFS electric customer programs for PG&E. PG&E also has three other existing programs for electric and gas customers. This section provides a brief overview of each program; further details can be found in the implementation plan.

1. Residential "Holdback" Electric Programs

These programs are funded by the 33% of residential base proceeds leftover from the 67% required to fund the statewide California Clean Fuel Reward (CCFR) program. These leftover funds combined with revenue from the forklift credits are referred to as "holdback" funds. PG&E will fund four programs with these funds, pending CPUC approval of the implementation plan:

1. **Pre-Owned EV Rebate:** Will provide a post-purchase rebate for pre-owned EVs, with a \$1000 base rebate and additional \$3000 for income-qualified customers.
2. **Multi-Unit Dwelling (MUD) and Small Business Direct Install:** Will install low-power chargers (Level 1 or Level 2) at MUD and small business sites that have excess capacity on their electric panel, at no cost to the site host. The majority of sites in this turnkey pilot will be located in equity communities, serving equity

¹³ AL 6226-E, "2021 Low Carbon Fuel Standard Implementation Plan", available at: https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6226-E.pdf

customers. PG&E will complement the infrastructure investment with an education campaign for the residents/tenants of each site.

3. **Resilient Charging:** Will provide third-party software to communicate with customers and/or actively manage EV charging for the customer prior to a PSPS event to ensure they are fully charged during an emergency. The pilot will also include a pre-launch phase to identify EV drivers in select areas.
4. **Residential Charging Solutions:** Will provide educational resources and financial support to help customers install EV chargers at their home while avoiding or lowering the cost of electric panel upgrades and/or electric distribution grid upgrades. It will be implemented in phases, providing a customer assessment tool in Phase 1 and a technology solution rebate in Phase 2.

2. Electric Non-Holdback Programs

PG&E proposed one program funded by the credit proceeds from workplace and EV Charge Network (EVCN) charging stations that PG&E owns:

5. **Research and Innovation Fund:** Will support small proof-of-concept pilots for nascent technologies and research studies to fill in data gaps in support of accelerating widespread TE. Potential project categories that would be funded by the R&I fund could include data & analysis (e.g. market trends and customer needs), hardware (e.g. safety testing of a streetlight-mounted charger), or software (e.g. discrete testing of automated load management technology).

PG&E will continue to fund two legacy programs that were in place before D.20-12-027 with residential base credit proceeds in the bank prior to said decision.

6. **Clean Fuel Rebate:** Ran from 2017 through 2020 and provided a rebate for EV purchases or leases; it was succeeded by the CCFR in late 2020. PG&E does not accept new applications for this program, but still has some administrative requirements including cancelling and reissuing customer checks lost in the mail.
7. **California Clean Fuel Reward:** Statewide program; provides an upfront purchase or lease incentive at the dealer or retailer. The program is administered by SCE, but PG&E participates in several committees to provide oversight and contributes funds to the program.

3. Gas Programs

PG&E has one existing gas program from the 2015 implementation plan:

8. **Renewable Natural Gas Fuel Credit:** Provides annual on-bill credits that divide the annual gas LCFS revenue between customers based on their pro-rata share of CNG usage. The credit is applied to customer accounts automatically – they do not need to apply.

II. 2022 ELECTRIC ESTIMATE

A. Credit Estimate. *An estimate of the number of credits the utility expects to generate for the following year.*

PG&E estimates it will generate [REDACTED] electric credits during calendar year 2022, based on assumptions about the number of electric vehicles in PG&E's territory, CARB's credit estimation methodology, and the inputs to that methodology.¹⁴ This includes credits received for separately metered residential electric usage, workplace charging, and PG&E-owned commercial charging from the EV Charge Network (EVCN) program, as well as non-separately metered residential electric vehicle charging and forklift credits.

PG&E assumes that it will receive a total of [REDACTED]

B. Revenue Estimate. *An estimate of the amount of revenue the utility expects to generate from the sale of credits sold in the following year.*

For the purpose of this estimate, PG&E assumes [REDACTED]
[REDACTED]
PG&E estimates a LCFS credit price of [REDACTED].¹⁶ At this price, the market value of [REDACTED]

C. Balancing Account Estimate as of January 1, 2022. *An estimate of the balance that will be in the utility's balancing account on January 1 of the following year.*

PG&E's March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.¹⁷

¹⁴ PG&E uses the following terms for the credit lifecycle: credits are generated the quarter that the usage occurs; credits are reported to CARB one quarter following usage; credits are received early in the quarter following reporting; and credits are sold within the quarter they are received. For the statewide Clean Fuel Reward program, PG&E must transfer the revenue to the program the quarter after credits are received. For example: charging station usage in Q1 generates credits in Q1. Those credits are reported in Q2, received and sold in Q3, and a portion of that revenue is transferred to the statewide Clean Fuel Reward in Q4.

¹⁵ PG&E keeps a credit reserve in case of credit invalidation or other credit adjustments where PG&E would need to return credits to CARB. The reserve contains PG&E holdback funds; however, depending on the nature of the credit adjustment, PG&E would also pass on the adjustment to statewide CCFR transfers.

¹⁶ Average LCFS credit price for the prior four quarters of PG&E credit sales in Q4 2020 through Q3 2021.

¹⁷ AL 3575-G/4604-E, Appendices B, C.

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E's Greenhouse Gas Revenue Balancing Account (GHGRBA) on January 1, 2022 is calculated as the balance in the account at the end of August 2021 plus estimated additional revenue and less estimated costs, CCFR transfers, and revenue distributed from September through December 2021.

As of August 2021, [REDACTED]
[REDACTED]
[REDACTED] At a credit price of [REDACTED]
[REDACTED] PG&E estimates it will receive [REDACTED]
[REDACTED] PG&E expects to transfer [REDACTED] to the CCFR program in Q3 and Q4 and incur an additional \$498,000 from administrative tasks.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

D. Administrative Cost Estimate. *An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.*

PG&E's June 15, 2021 implementation plan proposed five new electric customer programs (four using residential holdback funds, one using non-holdback funds from commercial EV charging). PG&E is also involved in the statewide California Clean Fuel Reward (CCFR) program and has a small amount of ongoing customer activities for its Clean Fuel Rebate program, which closed at the end of 2020. In addition, PG&E has compliance activities required to participate in the CARB LCFS program that must occur regardless of whether there are customer programs (for example, quarterly and annual reporting, credit sales).

Table 1 below shows the administrative, marketing education and outreach (ME&O), and evaluation estimated budgets for each program or spending category for 2022. These budgets include PG&E, third-party implementer, and community-based organization (CBO) spend. The budgets align with what was proposed in the implementation plan.¹⁸

¹⁸ There may be small differences within categories – for example, CBO administration was included as a ME&O expense in the implementation plan, but was shifted to administrative expense here. The overall program budgets match the implementation plan.

Table 1. PG&E LCFS Electric Program Administration, Evaluation, and ME&O Costs in 2022

Program/Category	Admin	Evaluation	ME&O	Total
Overhead				
Overhead	\$403,000	\$0	\$0	\$0
Holdback Programs				
Pre-Owned EV Rebate	██████████	\$433,000	██████████	██████████
MUD & Small Business Direct Install	██████████	\$126,000	██████████	██████████
Resilient Charging	██████████	\$48,000	██████████	██████████
Residential Charging Solutions	██████████	\$36,000	██████████	██████████
Holdback Total	██████████	\$643,000	██████████	██████████
Non-Holdback Programs				
PG&E Clean Fuel Rebate	\$20,000	\$0	\$0	\$20,000
California Clean Fuel Reward	\$105,000	\$0	\$0	\$105,000
Research & Innovation Fund	\$53,000	\$3,000	\$0	\$55,000
Non-Holdback Total	\$178,000	\$3,000	\$0	\$181,000
Total	██████████	\$646,000	██████████	██████████

A brief description of the spending for each program/category follows:

- **Overhead (non-program expenses):** Include activities required to participate in the LCFS program, including compliance activities (quarterly reporting to CARB, annual reports and forecasts to the CPUC and CARB), credit sales, transferring funding to the CCFR, and implementation plan development.
- **New holdback programs** (Pre-Owned EV Rebate, MUD/Small Business Direct Install, Resilient Charging, Residential Charging Solutions)¹⁹
 - *Administrative expenses:* Includes program management from PG&E, a third-party implementer, and/or CBOs (and relevant activities, such as invoicing), program design, IT to build websites and applications, application processing and rebate payment, and other activities specific to the program, such as charger installation for the MUD/Small Business Direct Install pilot.
 - *ME&O:* Includes PG&E collateral development, email campaigns, co-marketing; third-party implementer broad or targeted outreach campaigns; CBO targeted outreach to equity communities; and other activities specific to the program, such as on-site tenant education for the MUD/Small Business Direct Install pilot or development of an education tool for the Residential Charging Solutions program.

¹⁹ See implementation plan for a detailed description of administrative, ME&O, and evaluation expenses for each program

- *Evaluation:* The implementation plan set aside 2% of each program’s budget per year for evaluation activities. This may include traditional evaluations or targeted studies based on the specific needs of each program. PG&E may also choose to save evaluation budget in order to conduct a larger multi-year study once the program has been established.
- **PG&E Clean Fuel Rebate:** Minimal effort, confined to cancelling and reissuing customer checks lost in the mail.
- **California Clean Fuel Reward:** PG&E participates in several committees and, per the Governance Agreement, does not bill this time to the statewide program. PG&E also performs data analysis on participation records, which are used to inform future program development and distribution planning.
- **Research & Innovation Fund:** Administration includes selecting, managing, and reporting on studies to be completed. A small evaluation budget (2%) is included.

PG&E has several requirements from CARB and the CPUC in implementing its customer programs, including on spending for equity, resilience, and administration. These are summarized in Table 2.

Table 2. Estimates Against Compliance Targets in 2022

Requirement	2022 Target	2022 Forecasted
Equity expenditures (CPUC)	45%	51%
Equity expenditures as a percentage of proceeds (CARB) ²⁰	30%	73%
Resiliency expenditures as a percentage of proceeds (CPUC)	≤ 20%	17%
Administration expenditures (CARB)	≤ 10%	9%

E. Revenue to be Distributed to Customers. *An estimate of the amount of revenue that will be distributed to customers in the following year*

PG&E expects to distribute ██████████ in revenue to customers across its five active electric programs in 2022. Table 3 shows the breakdown by program:

²⁰ Equity and resiliency expenditures as a percentage of proceeds is calculated against 2021 proceeds (the previous year), rather than 2022. This is the same method PG&E currently uses to calculate its Renewable Natural Gas Fuel Credit, and allows for more stable budgeting and program management than trying to adjust a program every quarter after the most recent credit deposits have been sold.

Table 3. Revenue Distributed to Customers in 2022

Program/Category	Incentives
Holdback Programs	
Pre-Owned EV Rebate	\$22,054,000
MUD & Small Business Direct Install	██████████
Resilient Charging	██████████
Residential Charging Solutions	██████████
<i>Holdback Total</i>	██████████
Non-Holdback Programs	
PG&E Clean Fuel Rebate	\$0
California Clean Fuel Reward*	\$0
Research & Innovation Fund**	\$75,000
<i>Non-Holdback Total</i>	\$75,000
Total	██████████

* PG&E transfers funds to the CCFR but is not responsible for distributing customer incentives.

** This program funds studies and research in support of future programs rather than customer incentives.

PG&E does not distribute revenue to customers as part of the CCFR program, but it does transfer 67% of its revenue from residential base credits to the statewide CCFR program on a quarterly basis. PG&E estimates that it will transfer ██████████ in funding to the statewide CCFR in 2022 to be distributed to customers.²¹

F. Estimate of Number of Revenue Recipients. *An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.*

The target and scale of each PG&E electric program varies dramatically. Table 4 shows the estimated number of recipients and the incentive or possible range of values distributed within each program.

²¹ This number does not include “non-opt-in” credits, which are generated by small EDUs that have not opted-in to participating in LCFS. Starting in 2019, CARB began estimating the amount of electricity used each quarter and allocating funding to the large IOUs. This funding is essentially a pass-through – 100% of it must be sent to the statewide CCFR program.

Table 4. Number of Revenue Recipients and Value in 2022

Program/Category	Recipients	Value Distributed to Each
Pre-Owned EV Rebate	13,000	\$1,000 for base rebates, \$4,000 for income-qualified customer rebates
MUD & Small Business Direct Install	110	[REDACTED]
Resilient Charging	8,000	[REDACTED] enrollment incentive, plus the value of the service
Residential Charging Solutions	1,900	[REDACTED] but dependent on the technology solution selected and RFQ results

More details about these programs can be found in the implementation plan.

PG&E’s Clean Fuel Rebate program is closed and no new incentives will be issued (the staff is only cancelling and reissuing previously issued checks). The Research and Innovation Fund does not issue incentives; instead, it funds research projects.

III. 2022 NATURAL GAS ESTIMATE

A. Credit Estimate. *An estimate of the number of credits the utility expects to be generated for the following year.*

PG&E filed Advice Letter 3961-G and received approval in June 2018 to scope out a voluntary renewable natural gas pilot. The scope of this 3-year pilot is to procure renewable natural gas (RNG) and replace 100% of the CNG dispensed at PG&E’s natural gas stations for internal and external fleet use. PG&E executed a contract with the RNG provider in October 2019. Per this contract, PG&E provides the vendor with meter reads of natural gas dispensed at PG&E owned stations and the vendor reports volumes on a quarterly basis to CARB to receive LCFS natural gas credits. In return, PG&E receives 100% of the revenue from the “base” CNG credits, [REDACTED]

[REDACTED]

The RNG vendor estimates a total of [REDACTED] credits will be generated for PG&E in 2022.

B. Revenue Estimate. *An estimate of the amount of revenue the utility expects to receive from the sale of those credits.*

PG&E sold the last of its CNG credits in July 2020. All credits are now generated and sold by the RNG vendor, with the revenue transferred to PG&E.

PG&E estimates that at a LCFS credit price of [REDACTED], PG&E will receive approximately [REDACTED] in 2022 for the sale of credits generated in Q3 2022 through Q2 2023.²² [REDACTED]

[REDACTED] This revenue will be transferred to PG&E which will then be used in the approved revenue return mechanism, a bill credit paid out in 2023 to customers utilizing PG&E CNG stations.

C. Balancing Account Estimate as of January 1, 2022. *An estimate of the balance that will be in the utility's balancing account on January 1 of the following year.*

PG&E's March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E's GPBA on January 1, 2022 is calculated as the balance in the account at the end of August 2021, plus additional revenue from the sale of credits from the RNG vendor through 2021 and less administrative costs and revenue distributed to customers from September through December 2021.

As of August 2021, [REDACTED]. PG&E expects to receive [REDACTED] from the RNG vendor in Q4 for credits generated in Q2 and incur an additional \$6,000 in administrative costs through the end of the year. In addition, PG&E recently completed its 2021 revenue return, which provided [REDACTED] in revenue to active Compressed Natural Gas account customers for revenue received in 2020.

As a result, PG&E estimates a balance of [REDACTED] and \$6,000 in administrative costs.)

The total balance available at the start of 2022 will be returned to PG&E CNG customers in Q3 2022 via an on-bill credit.

²² As with the electric credits, there is a lag. Credits generated in Q1 are reported on in Q2 and transferred to PG&E by the RNG vendor in Q3.

D. Administrative Cost Estimate. *An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.*

PG&E has one customer program for returning LCFS revenue to customers, the Renewable Natural Gas Fuel Credit. In addition, PG&E has compliance activities required to participate in the CARB LCFS program that must occur regardless of whether there are customer programs (for example, annual reporting).

Table 5 below shows the administrative, marketing education and outreach (ME&O), and evaluation estimated budgets for each program or spending category for 2022.

Table 5. PG&E LCFS Natural Gas Program Administration Costs in 2022

Program/Category	Admin	ME&O	Total
Overhead			
Overhead	\$20,000	\$0	\$20,000
Programs			
Renewable Natural Gas Fuel Credit	\$38,000	\$6,000	\$44,000

A brief description of the spending for each program/category follows:

- **Overhead (non-program expenses):** Includes activities required to participate in the LCFS program, including compliance activities (annual reports and forecasts to the CPUC and CARB) and implementation plan development. Most other compliance requirements and credit sales are currently being handled by the RNG vendor.
- **Renewable Natural Gas Fuel Credit:**
 - *Administrative expenses:* Includes calculation of the credit amount for each customer, coordination with Natural Gas Vehicles teams, and IT to distribute the credit on customer bills.
 - *ME&O:* Includes targeted outreach to credit recipients via direct mail, email, and personalized outreach from an account representative for very large credits. Also includes updates to the credit website and FAQ page.

E. Revenue to be Distributed to Customers. *An estimate of the amount of revenue that will be distributed to customers in the following year.*

In its Implementation Plan, PG&E described its proposed method for calculating the amount of revenue that will be distributed to customers:

To calculate the amount of revenue to be distributed to each Gas Recipient, PG&E plans to take the total amount of Gas Revenue determined to be distributed for a given Rebate Period and divide it pro rata among each Gas Recipient based on each customer's total CNG fuel consumption during the Rebate Period.²³

For the purpose of this estimate, PG&E assumes that the revenue returned to customers in 2022 will be the total available in the LCFS Gas balancing account on January 1, 2022. This includes the total revenue generated for credits transferred to PG&E from Q1 – Q4 2021, minus administrative costs incurred in 2021. [REDACTED]

[REDACTED]

F. Estimate of Number of Revenue Recipients. *An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.*

In Q3 2022, PG&E will distribute on-bill credit to each of its currently active CNG fueling accounts based on their percentage of consumption for the period of January 2021 through December 2021. PG&E expects to return [REDACTED] to a total of approximately [REDACTED] customers in 2022 for 2021 usage. Of this, approximately 97% [REDACTED] will be returned to [REDACTED] public fueling accounts based on their usage, and approximately 3% ([REDACTED]) to 30 PG&E fleet accounts. Credits are determined by usage and vary widely; for the 2021 credit, values ranged from [REDACTED].

²³ 2021 Implementation Plan, p.62. https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6226-E.pdf

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, Suncheth Bhat, am the Director of Clean Energy Transportation at Pacific Gas and Electric Company (“PG&E”), a California corporation. Aaron August, the Vice President of Business Development and Customer Engagement of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
77 Beale Street, Mail Code 921A
San Francisco, CA 94105

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): (R.) 11-03-012, Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions 2.

3. Title and description of document: Advice Letter 4500-G/6345-E, Pacific Gas and Electric Company’s 2022 Annual Low Carbon Fuel Standard Credit and Revenue Estimate.
4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart.

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
<input type="checkbox"/>	<p>Customer-specific data, which may include demand, loads, names, addresses, and billing data</p> <p>(Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)</p>	
<input type="checkbox"/>	<p>Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver’s license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual</p> <p>(Protected under Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)</p>	
<input type="checkbox"/>	<p>Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113</p> <p>(Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)</p>	
<input checked="" type="checkbox"/>	<p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data</p> <p>(Protected under Civ. Code §§3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)</p>	Gray shaded areas of pages 1-11 of Attachment A
<input type="checkbox"/>	<p>Corporate financial records</p> <p>(Protected under Govt. Code §§ 6254(k), 6254.15)</p>	

Third-Party information subject to non-disclosure or confidentiality agreements or obligations
(Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)

Grey shaded areas on pages 8-9 of Attachment A related to the RNG pilot

Other categories where disclosure would be against the public interest (Govt. Code § 6255(a) [NEED TO EXPLAIN HOW THE PUBLIC INTEREST SERVED BY NOT DISCLOSING THE RECORD CLEARLY OUTWEIGHS THE PUBLIC INTEREST SERVED BY DISCLOSURE]):

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 30th day of September, 2021 at San Francisco, California.

Suncheth Bhat

Suncheth Bhat
Director, Clean Energy Transportation
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

(R.) 11-03-012, Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with
Greenhouse Gas Emissions 2
ATTACHMENT TO DECLARATION
September 30, 2021

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
A	2022 Low Carbon Fuel Standard Annual Forecast	<p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data (Protected under Civ. Code §§3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)</p> <p>Third-Party information subject to non-disclosure or confidentiality agreements or obligations (Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)</p>	<p>Gray shaded areas of pages 1-11 of Attachment A</p> <p>Grey shaded areas on pages 8-9 of Attachment A related to the RNG pilot</p>

**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