
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 26, 2022

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

Subject: Pacific Gas and Electric Company's Advice Letter 6495-E to D.21-12-015 Agricultural Pumping Dynamic Rate Pilot

Dear Mr. Dietz:

Pacific Gas and Electric Company's (PG&E) Advice Letter (AL) 6495-E and PG&E AL 6495-E-A, which provide information regarding Valley Clean Energy's (VCE) forthcoming Agricultural Pumping Dynamic Rate Pilot (Pilot) pursuant to Decision 21-12-015, are approved as filed, effective March 6, 2022.

The appendix of this letter provides a summary of AL 6596-E, protests of Valley Clean Energy Alliance and Public Advocates Office, PG&E's response and Supplemental AL 6596-E-A, as well as Energy Division's disposition of the issues.

Please contact Achintya Madduri at achintya.madduri@cpuc.ca.gov or (415) 696-7350 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Skala", followed by the word "FOR" in a simple, blocky font.

Pete Skala
Interim Deputy Executive Director for Energy and Climate Policy/
Interim Director, Energy Division

cc: ED Tariff Unit
Achintya Madduri (ED)
Paul Phillips (ED)
Aloke Gupta (ED)
Daniel Buch (ED)
Rebecca Boyles (VCE)
Michael Campbell (Cal Advocates)

Appendix: Energy Division Technical Review and Analysis

Background:

On November 19, 2020, the California Public Utilities Commission (CPUC) initiated Rulemaking (R.) 20-11-003 to establish policies, processes, and rules to ensure reliable electric service in California in the event of an extreme weather event in 2021.

In its testimony for Phase 2 of R.20-11-003, Valley Clean Energy (VCE) proposed the Agricultural Pumping Dynamic Rate Pilot (Pilot) to be made available to customers taking electric service on irrigation pumping tariffs. More than 85% of VCE's service territory is designated for agricultural use, and the agricultural sector represents approximately 18% of VCE's total annual load and 16% of its peak demand. The Pilot will include automation of agricultural pumping loads to respond to dynamic prices and implementation of an experimental rate that incorporates energy and delivery costs into hourly prices.

In Decision (D.) 21-12-015 (Decision), the CPUC approved the Pilot for three years (2022-2024) and for up to 5 MW of peak load, starting on May 1, 2022, and required Pacific Gas and Electric Company (PG&E) to work with VCE on implementation.¹ The Decision required VCE and PG&E to implement a "shadow bill", wherein PG&E will bill participating customers on existing tariffs, show customer savings under the pilot dynamic rate, and pay customers the difference between the shadow bill and the existing tariff.² VCE, in consultation with PG&E, was authorized to engage service providers for providing a technology platform to automate dynamic hourly prices and make them accessible to customers and automated agricultural water pumps.

In Ordering Paragraph (OP) 53 of the Decision, the CPUC directed VCE and PG&E to design a pilot dynamic rate with the following characteristics for the generation components of the service by VCE: (1) energy costs shall be based on the California Independent System Operator (CAISO) wholesale market prices, and (2) generation capacity and flexible capacity costs shall be recovered on an hourly basis using the concept of scarcity pricing: more fixed costs are recovered when system utilization is higher relative to the system capacity limit. For the delivery component of the service by PG&E: (1) line losses will be recovered through volumetric rates, which could be time dependent, and (2) distribution capacity costs will also be recovered on an hourly basis using the scarcity pricing concept in lieu of monthly or annual demand charges. PG&E was directed to utilize hourly circuit load data from the distribution circuits that service participating customers to calibrate and calculate the distribution capacity cost recovery price function. Moreover, PG&E was directed to integrate the circuit load data as inputs into the Pilot's price platform to generate the delivery component of the dynamic prices.³

The Decision required PG&E, in coordination with VCE, to address the following Pilot elements in an advice letter (AL): (1) details of how circuit utilization data from the distribution circuits that serve VCE customers will be used to calibrate and calculate the delivery component of the dynamic prices, (2) details of how the circuit utilization data will be integrated with the pilot IT platform, and (3) the administration and evaluation budgets for this pilot⁴

¹ OPs 50, 51, and 53 of D.21-12-015.

² OP 52 of D.21-12-015.

³ Attachment 1 of D.21-12-015 at 9.

⁴ OP 58 of D.21-12-015

PG&E, as required by the Decision, filed AL 6495-E on February 4, 2022, and included the following details:

1. **Tariff Revisions:** PG&E submitted a modification to Electric Preliminary Statement Part CZ, Distribution Revenue Adjustment Mechanism (DRAM), to add accounting procedures to record the delivery component of the customer bill savings from the Valley Clean Energy Dynamic Rate Pilot.⁵ PG&E stated that it will treat shadow bill payments to customers as a reduction to revenue based on guidance under Accounting Standards Codification (ASC) 606-10-32-25 Consideration payable to customers. That guidance applies to a wide variety of situations where payments are made to customers through account credits or cash and results in an adjustment to the transaction price (i.e., revenue reduction), unless the payment represents an exchange for a distinct good or service.

PG&E also stated that it will record the adopted Pilot budget against costs in the Operations Subaccount of the Demand Response Expenditures Balancing Account (DREBA). The adopted revenue requirements would be recorded in the Distribution Revenue Adjustment Mechanism and incorporated into distribution rates annually. Any underspent funds authorized for PG&E's administrative costs at the completion of the Pilot will be returned to customers by transferring the balance in DREBA to the DRAM for true-up in distribution rates through the Annual Electric True-up (AET) AL process and credit to all customer classes in the revenue allocation and rate design.

2. **Distribution Rate Design:** PG&E proposed a distribution rate design for the Real Time Pricing (RTP) pilot that is a volumetric rate (\$/kWh) for electric distribution delivery service that contains hourly rate values that will be known and published the prior day. A forecast will also be published 7 days ahead so Agricultural customers can make advance plans. PG&E's proposed rate consists of:
 - a. A base volumetric rate that applies to all usage and varies by season and time-of-use (TOU) period, plus
 - b. A flat scarcity-based adder that would apply to any hour that is forecasted to be in the top 200 hours for load on the circuit from which customer's load is served.

PG&E provided additional details on the methodology used to determine the top 200 hours and the value of the scarcity adders, indicating that Pilot customers are only provided credits (in response to load shift from periods with high RTP prices to low RPT prices), and that the top price hours occur during summer months. Therefore, it would be inappropriate to issue customer credits on a period of less than 12 months. PG&E noted that for this pilot, customers are only provided with credits.

PG&E also indicated that it proposed to not use the subscription component of its RTP rate design due to the variability of Agricultural customer class usage.

PG&E said that it is willing to discuss eventual revisions to the distribution rate over the course of the pilot so long as such revisions are based on additional analysis of distribution rate design, align with and not complicate the evaluation of the pilot, and support customer experience considerations. However, for the purposes of meeting the

⁵ PG&E AL 6495-E at 2-3.

mutual goal of launching the pilot by May 1, 2022, PG&E recommended the distribution rate design proposed in its AL be adopted without modification.

3. **Integration of Circuit Utilization Data with the Pilot IT Platform:** PG&E stated that it has identified 39 circuits that have agricultural customers in VCE's territory and that it will generate a 7-day forecast for the circuits. The forecast model will be evaluated at least each year to be updated, if necessary. PG&E specified the format of the data that will be provided to VCE via Application Programming Interface (API).
4. **PG&E Administration Budget Line Items for the Pilot:** PG&E provided an estimate of its administrative costs for the Pilot, which totaled to \$750,000.⁶ This proposed budget included an estimate of \$400,000 for the measurement and evaluation (M&E) studies for the Pilot as well as \$20,000 for an outside contractor to perform a customer insight study that supplements the M&E study required by the Decision.⁷
5. **Customer Eligibility:** In addition to the elements that PG&E was required to include in its AL per the Decision, PG&E also included details about customer eligibility for the pilot as follows:⁸
 - a. Only agricultural pumping loads for customers who take energy service from VCE and are on a PG&E agricultural electric schedule shall qualify.
 - b. Customers must enroll in one of the following rates to participate in this pilot: AG-A1, AG-A2, AG-B, AG-C. Legacy AG rates will not be supported because they have distribution on-peak hours that are not consistent with peak CAISO hours. Customers on NEM 1 or NEM 2 tariffs are also eligible.
 - c. Customers on Virtual NEM (VNEM), NEM aggregation (NEMA), NEM Paired Storage and NEM Multiple Tariff should not be eligible for the Pilot due to the complexity of those rates.
 - d. Dual Participation should be prohibited in load management or demand response programs that are based on day ahead price signals.
 - e. Prohibited resources (such as fossil fueled backup generation) should not be used.
 - f. PG&E proposed to use the customers' aggregated maximum annual peak load as the methodology for calculation the Pilot scale (5 MW) and requested that VCE provide monthly reporting to Energy Division and PG&E capturing the enrolled demand and methodology for calculating the aggregated load to track Pilot progress.
 - g. PG&E said that it expects that customers enrollment into the pilot rate will be governed by Electric Rule 12.
 - h. PG&E assumes VCE will be responsible for administering the customer pump integration and automation incentive and ensuring adherence to the Pilot's three-year customer participation requirement.

OP 57 of the Decision required VCE to file a Tier 2 AL that included details on the following elements of the Pilot: (1) pilot scope, (2) pilot partners, (3) shadow bill implementation, (4) pilot dates, (5) pilot tariff design, and (6) details of how circuit and system data will be used to calibrate and calculate tariff price curves. The VCE AL was required to contain the majority of the Pilot details as the Decision specified that VCE shall be primarily responsible for the

⁶ PG&E AL 6495-E at 6.

⁷ *Id.* at 8.

⁸ PG&E AL 6495-E at 8

majority of the Pilot implementation tasks. This PG&E AL was required to specify how it will coordinate on the Pilot elements where it has a direct role in the Pilot, namely the distribution circuit utilization data and the administration and evaluation budget for the Pilot. Accordingly, VCE filed AL 11-E on January 5, 2022, that included the Pilot details required by the Decision as well as a discussion of additional issues beyond what was required by the Decision, which were protested by PG&E. Energy Division rejected PG&E's protest under General Rule 7.6.1 of CPUC General Order 96-B, as the protest did not identify any "material errors or omissions" in AL 11-E and approved it.

VCE, TeMix Inc., and Polaris Energy Services (Pilot Partners) Protest

On February 24, 2022, VCE, TeMix Inc., and Polaris Energy Services (collectively the "Pilot Partners") submitted a protest of AL 6495-E on the following grounds:

1. **Pricing Methodology.** The Pilot Partners stated that PG&E's pricing methodology, which proposes a flat distribution capacity adder to the top 200 hours of each circuit, is inconsistent with the Decision⁹, which directs PG&E to create continuous (smooth) scarcity pricing fixed cost recovery price functions for recovery of distribution capacity costs.¹⁰ The Pilot Partners stated that PG&E's approach has sharp steps/pricing discontinuities that would complicate the response by customers and their devices and potentially destabilize grid operations.¹¹
2. **Pricing Differentials.** The Pilot Partners also stated that the resulting pricing differentials for PG&E's proposed pricing methodology are too small to effectively test the impacts of dynamic pricing. The Pilot Partners state that by averaging across the year, PG&E's approach converts a dynamic, granular load shift pilot into a binary load shed program, which is not the Pilot's goal as set forth in the Decision.¹²
3. **Subscription Component.** The Pilot Partners state that PG&E's proposal to not use the subscription component to the distribution rate design would place customers at risk for bill volatility and recommends that Energy Division's disposition of the AL should enable VCE to have the option for a subscription component to the rate design.¹³
4. **NEM Eligibility.** The Pilot Partners state that PG&E's proposal to set participation rules for the Pilot is inappropriate and inconsistent with the Decision, as the VCE should have the primary responsibility to establish participation rules for the pilot.¹⁴
5. **Electric Rule 12.** The Pilot Partners state that the applicability of Rule 12 to the Pilot is inconsistent since participating customers will continue to take service on their Otherwise Applicable Tariff (OAT) and Rule 12 applies to such rates. The Pilot Partners state their concern that Rule 12 provides that PG&E will inform agricultural customers about which

⁹ Pilot Partners Protest at 2.

¹⁰ *Id.* at 3.

¹¹ *Id.*

¹² *Id.* at 4.

¹³ *Id.*

¹⁴ *Id.*

rate schedule if best for them and such outreach could be confusing for customers and interfere with the Pilot. The Pilot Partners recommend that Energy Division reject PG&E's proposed application of Rule 12 to the Pilot.¹⁵

6. **One Year Minimum.** The Pilot Partners state that it is inappropriate for PG&E to set participation rules for the Pilot.¹⁶
7. **Customer Insight Study.** The Pilot Partners state that PG&E's proposed customer insight study was not ordered by the Decision and should be rejected by Energy Division in the disposition of the AL.
8. **Tracking of Customer Participation and Load Cap.** The Pilot Partners state that PG&E's approach to propose a methodology for calculating aggregated peak load cap is inconsistent with the Decision as: (a) this authority was not granted to PG&E by the Decision; and (b) the Decision did not require VCE to report any form of compliance to PG&E. The Pilot Partners recommend that Energy Division should reject this element of the AL.

Public Advocates Office Protest

On February 24, 2022, the Public Advocates Office (Cal Advocates) submitted a protest of AL 6495-E and recommended that the CPUC require PG&E submit supplemental information for the following details to comply with the Decision:

1. **Funds for integration and automation of pumping loads.** Cal Advocates states that the AL does not clearly address how PG&E plans to coordinate with VCE with regards to reimbursement of these funds. Cal Advocates states that the CPUC should require PG&E to explicitly explain in a supplemental the reimbursement process and should also require PG&E to include documentation from VCE regarding customer participation and costs.¹⁷
2. **Vendor fees, systems and technology.** Cal Advocates states that the CPUC should also require PG&E to explicitly explain in a supplemental how these costs will be reimbursed and whether there will be any overlap in costs between VCE and PG&E for implementation of shadow billing.¹⁸
3. **Program Administration.** Cal Advocates states that the CPUC should require PG&E to provide an explanation in a supplemental how it will implement its coordination with VCE regarding setup and maintenance of data transfers, measurement and evaluation (M&E) studies, and customer insight studies.¹⁹
4. **How customers will be credited.** Cal Advocates states that the CPUC should require PG&E to provide supplemental information to explain how customer participants will receive bill credits for their response to dynamic prices, and that this information should

¹⁵ *Id.* at 4-5.

¹⁶ *Id.* at 5

¹⁷ Cal Advocates Protest at 2-3.

¹⁸ *Id.* at 3.

¹⁹ *Id.*

reflect PG&E's response to Cal Advocates' data request where PG&E stated that it will issue funds directly to VCE for this purpose.²⁰

PG&E's Reply to Protests from Pilot Partners and Cal Advocates

On March 3, 2022, PG&E submitted a reply to protests from Cal Advocates and the Pilot Partners as follows:

1. **Cal Advocates' request for additional details pertaining to the Pilot's Budget.** PG&E stated that without additional direction from the CPUC regarding the roles of VCE and PG&E and Energy Division's role in oversight for the Pilot, it will not issue any authorized funds.²¹

Regarding Program Administration, PG&E stated that it has engaged in project requirements and planning discussions with TeMix for setup and maintenance of the data required to support the Pilot. PG&E stated that data provided by TeMix, and customers' interval data will answer the majority of the required M&E elements. Any other information required by the third-party M&E evaluator will be gathered with VCE and its project partners.

2. **Cal Advocates' request for additional details regarding customer credits.** PG&E stated that VCE has not provided an explanation of whether VCE will be conducting a monthly or annual shadow billing process. PG&E stated its disagreement with VCE's viewpoint that VCE should be solely responsible for validating and approving the TeMix billing system, and views the billing of the distribution rate as its responsibility. PG&E said that it views the billing of the distribution rate as its responsibility since it will be responsible for tracking the funds against the balancing account approved for this pilot. PG&E stated that it requires that it have the authority to review and approve all distribution bill calculations prior to VCE invoicing for customer bill credits.²²
3. **Pricing methodology, pricing differentials and subscription component.** PG&E stated that it will file a supplemental AL with a revised rate design to address the concerns raised by the Pilot Partners regarding its distribution prices.²³
4. **NEM Eligibility.** PG&E says that it agrees to eliminate the eligibility requirement for certain NEM customers if Energy Division will ensure that the shadow bill calculation is consistent with the applicable NEM tariffs, and approve the shadow bill distribution credit calculation (and subsequent customer credit).²⁴
5. **Electric Rule 12.** PG&E stated that it had not planned to provide a rate comparison of the Pilot to either Pilot participants or other Agricultural customers. The only Electric Rule 12 requirement that PG&E said it discussed in its AL was the requirement that customers should be able to drop out of the pilot rate mid-year to take advantage of low winter season bills while avoiding high summer season prices. PG&E stated that it

²⁰ *Id.* at 4

²¹ PG&E Reply to Protests at 1-3.

²² *Id.* at 3.

²³ *Id.*

²⁴ *Id.* at 4.

intended to use Rule 12 to prevent customers from creating cost shifts through seasonal arbitrage.²⁵

6. **Customer Insight Study.** PG&E said that it agrees with VCE's protest and will hire an independent evaluator for the customer insights evaluation, which will not duplicate this task at ratepayer expense.²⁶
7. **Tracking of Customer Participation and Load Cap.** PG&E recommended that all parties participating in the Pilot have a common understanding of how to define the load cap and how to track progress towards that cap. Because the Decision did not provide this definition, and VCE did not define this cap in its AL, PG&E requested that Energy Division define this parameter so that customers and participating parties (VCE, Polaris, TeMix and PG&E) know how to address customers wishing to enroll once the cap is exceeded. PG&E stated that VCE can track this cap and report it to Energy Division, which can oversee eligibility enforcement based on whether the customer is within the 5 MW limit or not.²⁷

PG&E's Supplemental Advice Letter 6495-E-A

PG&E submitted a supplemental AL on April 7, 2022, to revise its proposed distribution rate design for the Pilot.

PG&E revised proposal is to use TeMix's rate design so that the price response and implementation of the distribution rate is parallel to VCE's generation rate. PG&E will use the same subscription load pattern as VCE, which represents a customer's typical energy needs in each hour. The bulk of the customer's dynamic pricing shadow bill will be based on the subscription amount, which will be the customer's subscription usage applied to the customer's OAT.

PG&E said that it is currently working with TeMix to determine the distribution rate curves for each of the 39 circuits in VCE territory using its methodology. Each circuit's curve will be scaled to collect PG&E's marginal distribution capacity costs determined in PG&E's 2020 General Rate Case, Phase II and approved in D.21-11-016, multiplied by the Equal Percent of Marginal Cost multiplier determined in that case. Fixed costs and other non-capacity marginal costs are not collected in the RTP rate, but rather through the subscription amount.²⁸

PG&E highlighted some of its concerns regarding this approach, including that the subscription method only covers capacity costs in the RTP portion of rates and therefore relies on an accurate subscription forecast to collect other costs.²⁹

Discussion

²⁵ *Id.*

²⁶ *Id.* at 5.

²⁷ *Id.*

²⁸ PG&E Supplemental AL 6495-E-A at 2.

²⁹ *Id.* at 3.

Energy Division has reviewed ALs 6495-E and 6495-E-A and finds that they are compliant with the requirements of the Decision and provide the necessary details about: (1) how circuit utilization data from the distribution circuits that serve VCE customers will be used to calibrate and calculate the delivery component of the dynamic prices, (2) how the circuit utilization data will be integrated with the pilot IT platform, and (3) the administration and evaluation budgets for this pilot.

Energy Division finds the Cal Advocates' requests to require PG&E to clarify details outside of the Pilot elements required pursuant to OP 53 of the Decision are outside the scope of this advice letter disposition. The issues raised by Cal Advocates, namely (1) funds for integration and automation of pumping loads, (2) vendor fees, systems and technology, (3) program administration details, and (4) how customers will be credited, were not issues that CPUC required PG&E to address in its advice letter pursuant to the Decision, and are therefore not proper grounds for protest under General Order (GO) 96-B, General Rule (Rule) 7.4.2. More specifically, GO 96-B, Rule 7.4.2 provides that a protest to an AL may rest on the following grounds:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) the relief requested would violate, or is not authorized by, statute or Commission order;
- (3) the analysis, calculations, or data in the advice letter contain material errors or omissions;
- (4) the relief requested is pending before the Commission in a formal proceeding;
- (5) the relief requested is inappropriate for the advice letter process; and/or
- (6) the relief requested is unjust, unreasonable, or discriminatory.

Cal Advocates has not identified any "material errors or omissions" in the AL that would warrant its rejection, nor did it sustain any contention that the AL fails to comply with the Decision. As such, Energy Division rejects Cal Advocates' protest pursuant to Rule 7.6.1 of Commission GO 96-B.

Energy Division finds that Pilot Partners' protest does not provide a basis for rejecting PG&E AL 6495-E under Rule 7.4.2 as the advice letter and supplemental advice letter discusses each of the elements that the Decision directed PG&E to address. Given the additional details included by PG&E in its supplemental advice letter regarding (1) the delivery component of the dynamic prices and (2) the customer insight study, the Pilot Partners' protest identifies no "material errors or omissions" in the advice letter and supplemental advice letter, and therefore there are no grounds that warrant its rejection.

PG&E included in AL 6495-E a discussion of issues beyond what was required by the Decision including: (1) NEM Eligibility, (2) Electric Rule 12, and (3) tracking of customer participation and load cap, and the Pilot Partners' protest also addressed these issues, as did PG&E's reply to the Pilot Partners' protest. Since the additional issues raised by VCE and PG&E are beyond the scope of the advice letter directed by the Decision, those issues are outside the scope of the advice letter approval granted here.

Disposition

In accordance with the discussion above, Energy Division hereby approves Advice Letter 6495-E and Supplemental Advice Letter 6495-E-A, submitted by Pacific Gas & Electric Company.



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

February 4, 2022

Advice 6495-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Pacific Gas and Electric Company's Advice Letter to D.21-12-015
Agricultural Pumping Dynamic Rate Pilot**

Purpose

Pursuant to Ordering Paragraph (OP) 58 of Decision (D.) 21-12-015 issued on December 6, 2021 (D.21-12-015 or the "Decision"), Pacific Gas and Electric Company (PG&E) hereby submits this Tier 2 Advice Letter to provide information related to the forthcoming Agricultural Pumping Dynamic Rate Pilot (Pilot). PG&E submits the following information for Energy Division review and approval: (1) details of how circuit utilization data from the distribution circuits that serve VCE customers will be used to calibrate and calculate the delivery component of the dynamic prices, (2) details of how the circuit utilization data will be integrated with the pilot IT platform, (3) the administration and evaluation budgets for this pilot, and (4) customer eligibility.

Background

The Decision adopted two pilots that will test how dynamic rates can incent customers to shift energy usage to off peak times, which can enhance system reliability in times of emergency. One of the pilots, the Agricultural Pumping Dynamic Rate Pilot, involves PG&E and a CCA, Valley Clean Energy, located in PG&E's service area. The Agricultural Pumping Dynamic Rate Pilot will focus on shifting agricultural water pumping to off peak times for reliability purposes through the use of dynamic rates and incentives. The Decision indicates that the Pilot will test the effectiveness of the UNIDE real-time dynamic rate concept with agricultural customers in Valley Clean Energy's (VCE) territory.

Tariff Revisions

- Modify Electric Preliminary Statement Part CZ, *Distribution Revenue Adjustment Mechanism (DRAM)*, to add accounting procedures to record the delivery component of the customer bill savings from the Valley Clean Energy Dynamic Rate Pilot.

OP 54 of D.21-12-015 orders PG&E to track the delivery component of the customer bill savings during the pilot in a two-way balancing account. The bill savings is calculated as the difference between the customer's bill based on existing rate tariffs and the shadow bill under the pilot's dynamic rate, assuming that the shadow bill is less, from the billing month and continuing for the 12-month period during which the agriculture customer is taking service under the dynamic delivery rate program. If the shadow bill is more, then these additional charges would be netted against the bill savings, aggregated over a 12-month period. PG&E will treat payments made to customers as a reduction to revenue based on guidance under Accounting Standards Codification (ASC) 606-10-32-25 *Consideration payable to customers*. That guidance applies to a wide variety of situations where payments are made to customers through account credits or cash and results in an adjustment to the transaction price (i.e., revenue reduction), unless the payment represents an exchange for a distinct good or service. The bill savings that could potentially result from participation in this pilot is not distinct as it is interrelated with PG&E's obligation to deliver electricity to the customer and consistent with a volume-based rebate. A volume-based rebate is treated as a reduction to revenue. PG&E submits a modification to Preliminary Statement Part CZ to record the delivery component of the bill savings in its Distribution Revenue Adjustment Mechanism, a two-way balancing account, and true-up distribution rates on an annual basis through PG&E's Annual Electric True-up (AET) Advice Letter process and recovered from all customer classes in the revenue allocation and rate design.

D.21-12-015 authorizes a \$3.25 million budget for the administration and execution of the pilot.¹ PG&E will record the adopted budget against costs in the Operations Subaccount of the Demand Response Expenditures Balancing Account (DREBA). The adopted revenue requirements would be recorded in the Distribution Revenue Adjustment Mechanism and incorporated into distribution rates annually. Any underspent funds authorized for PG&E's administrative costs² at the completion of the Pilot will be returned to customers by transferring the balance in DREBA to the Distribution Revenue Adjustment Mechanism for true-up in distribution rates through the AET Advice Letter process and credit to all customer classes in the revenue allocation and rate design. No other changes to the related preliminary statements are necessary

¹ D.21-12-015, Attachment 1, pages 9-10. On January 31, 2022, VCE filed a petition for modification of D.21-12-015 to request the Commission to increase the budget to provide funding for VCE administrative costs.

² PG&E only addresses the disposition of underspent funds for PG&E's administrative costs. The disposition of underspent funds approved for VCE budget items, if any, will be up to VCE.

to record the VCE budget and administration costs to DREBA or to record the revenue requirement to the Distribution Revenue Adjustment Mechanism.

Distribution Rate Design

PG&E's distribution rate design for the Real Time Pricing (RTP) pilot is a volumetric rate (\$/kWh) for electric distribution delivery service that contains hourly rate values that will be known and published the prior day. A forecast will also be published 7 days ahead so Agricultural customers can make advance plans. The rate consists of:

1. A base volumetric rate that applies to all usage and varies by season and time-of-use (TOU) period,³ plus
2. A flat scarcity-based adder that would apply to any hour that is forecasted to be in the top 200 hours for load on the circuit from which customer's load is served.

The rate also includes a customer charge, equal to the customer charge on the Otherwise Applicable Tariff (OAT). There are no distribution demand charges.

The scarcity-based adder is calculated by starting with the Secondary and New Business Primary distribution marginal costs, as defined in PG&E's 2020 GRC Phase II and approved in D.21-11-016, and calculating the marginal cost revenues for the Agricultural class. A circuit-level analysis was then performed on the 39 circuits in VCE's service territory that serve Agricultural customers. For each circuit, each hour was flagged depending on if the load in that hour met or exceeded the load in the 200th highest hour of the year on that circuit. From that analysis, it was determined that approximately 6.1 percent of Agricultural load occurs during the top 200 hours on those circuits. The marginal cost revenue was evenly divided by 6.1 percent of Agricultural kWh to get a scarcity adder value of \$0.39769/kWh for customers connected at the Secondary voltage level. Customers using the Primary voltage level do not utilize the Secondary distribution system and therefore do not have cost responsibility for Secondary marginal costs. Therefore, Primary customers have a smaller scarcity adder of \$0.28041/kWh.

The GRC Phase II typically allocates capacity costs to hours that exceed 80 percent of the expected maximum load, rather than using this top 200 hours method. However when using the 80 percent threshold method, the number of hours exceeding this threshold can vary significantly year to year, typically between 50 and 400 hours. This pilot rate uses the top 200 hours as a threshold for more consistency and predictability for customers, although the number of hours exceeding the *forecasted* top 200 hours threshold will also vary year to year.

The base TOU distribution rates that apply in every hour were calculated by taking the distribution revenue responsibility for each OAT in the Agricultural class and subtracting

³ The TOU periods will be the standard TOU periods for the Agricultural class: a peak period from 5pm to 8pm, with all other hours off-peak. Summer is defined as June through September and Winter is October through May.

the forecasted scarcity adder revenues. The resulting revenues were allocated to all kWh usage, maintaining the existing TOU differentials in cents per kWh for each OAT. This process makes the rate revenue neutral to each OAT, assuming no change in customer behavior.

Because the vast majority of top 200 scarcity adder hours occur during the summer season, PG&E highlights the fact that this scarcity-based pricing will usually result in higher summer bills and lower winter bills compared to the OAT, with the entire year being revenue neutral. Therefore, when considering the implementation of shadow bills, PG&E does not believe it is appropriate to issue credits that cover periods shorter than 12 months. This is due to the one-way nature of the credits since they will be issued if the RTP shadow bill is lower than the OAT, but extra charges will not be incurred if the RTP revenue is higher than the OAT. If a customer were to be assessed credits over a period of less than 12 months, it is easy to see a scenario where credits were given during the lower-priced winter months and then no additional charges could be imposed during the summer. If this were to occur so the customer essentially pays the OAT rather than the higher RTP rates during the summer, then there would be no incentive for the customer to shift load in the summer when it is needed most, defeating the entire purpose of the pilot. While the original design assumes an annual true-up for the shadow bill, VCE has expressed a desire to be able to pay customers a credit on a quarterly or seasonal frequency "to accommodate customer needs and assist with Pilot participant recruitment." VCE is still able to offer credits on the generation portion of the bill (which may be larger than the distribution credits) more frequently if it wishes, but PG&E will only true up the distribution shadow bill annually.

Unlike VCE's proposal in its January 5th Advice Letter, PG&E does not propose to use a subscription component to its RTP distribution rate design. Instead, the RTP rate would be applied to all kWh usage by the customer. Also, while PG&E recognizes the stability that the subscription component provides for the customer's generation cost, PG&E does not believe it is appropriate to use a subscription component when the OAT has a demand charge and the RTP rate does not. This is especially true for the Agricultural class which can have significant year-over-year changes in usage due to water availability, crop rotation practices, or other factors un-related to electricity supply and pricing. Because an Agricultural customer's usage could be significantly higher or lower than the assumed hourly subscription usage (and consistently so over the whole year), it does not seem appropriate to charge the customer's subscription profile at the OAT with a demand charge. By definition, since the RTP rate moves demand charge cost recovery to hourly volumetric charges, it must have higher volumetric charges to be revenue neutral. Given that changes in water availability affect a customer usage and load factor significantly, applying high volumetric rates to usage deltas that assumed different load factors leads to the increased chances of significant over/undercollections.

Additionally, the seasonal differences between the RTP rate and the OAT exacerbates this issue. During the summer when RTP rates are higher, a high subscription amount will result in massive bill reductions when that energy is not needed (e.g., due to greater

availability of surface water for irrigation). As the subscription level is not tied to circuit conditions, PG&E does not intend to use the subscription approach for PG&E's proposed RTP distribution rate design. However this does not impact the ability of VCE to make their own decision on whether to use the subscription component when calculating its generation bills for the RTP pilot.

The day-ahead forecast for each of the 39 circuits in VCE's territory will include an indicator in each hour if that circuit exceeds the top 200 hour threshold. Hours that are below the threshold will have an RTP distribution rate equal to the base TOU price given in Table 1 below. Hours that are above the threshold will have an RTP distribution rate equal to the base TOU price plus the scarcity adder. More details about the day ahead forecast are provided in Section 2 below.

Table 1: Proposed Distribution Hourly Pricing Rates for VCE Agricultural Customers (January 1, 2022 Effective Rate Values)

	AG-A	AG-B	AG-C
Scarcity-based Adder (\$/kWh during top 200 hours for circuit)			
Secondary Voltage	0.39769	0.39769	0.39769
Primary Voltage	N/A	0.28041	0.28041
Base Energy Charges (\$/kWh)			
Summer			
Peak	0.24869	0.17931	0.06815
Off-Peak	0.20243	0.12953	0.05819
Winter			
Peak	0.19538	0.13080	0.05500
Off-Peak	0.19254	0.12774	0.05483
Customer Charge (\$/month)	20.97	27.87	43.63

PG&E designed its RTP distribution rate for simplicity and believes that this is the right approach for customers and for this pilot, given this distribution rate is already far more complex than the distribution rates under the OATs. With that said, PG&E understands that there may be interest in other distribution rate designs (such as a subscription component or a continually adjusting rate). PG&E is willing to discuss eventual revisions to the distribution rate over the course of the pilot, but such revisions would need to be based on additional analysis of distribution rate design, align with and not complicate the evaluation of the pilot, and support customer experience considerations. However, for purposes of meeting the mutual goal of launching the pilot by May 1, 2022, PG&E recommends the distribution rate design proposed in this Advice Letter be adopted without modification.

The rate values above correspond to the distribution revenue requirements effective January 1, 2022. When distribution revenue requirements change, PG&E will apply the revenue difference to the base TOU rates in each schedule and preserve the above TOU and seasonal rate differentials in cents per kWh, to continue the revenue neutrality. PG&E does not intend to change the scarcity-based adder value or methodology for at least 1 year of operation so that it can gather enough data about its effectiveness.

Details Of How The Circuit Utilization Data Will Be Integrated With The Pilot IT Platform

PG&E has identified 39 circuits that have agricultural customers in VCE's territory. A 7-day forecast will be generated daily for each service point on a circuit, including service points not in VCE's territory, and then aggregated to calculate the total circuit forecast. The forecast model will incorporate weather and may include other load impact factors (e.g. customer segment, water allocation, etc.). The forecast model will be evaluated at least each year to be updated, if necessary.

As stated in the previous section, the forecast for each of the 39 circuits in VCE's territory will include an indicator in each hour if that circuit exceeds the top 200 hour threshold to trigger the scarcity adder. The data will be provided to VCE via Application Programming Interface (API).

Table 2: Sample Distribution Forecast Data

Feeder#	Forecast created on (MMDDYYYY HHMMSS)	Forecast Day (MMDDYYYY)	Hour Ending	Forecast kWh	Scarcity Adder (Y/N)
1234	01012022 000001	01022022	1	###	N
1234	01012022 000001	01022022	2	###	N
1234	01012022 000001	01022022	3	###	N

PG&E Administration Budget Line Items For This Pilot.

PG&E's best estimate for its administrative costs for this three-year pilot currently totals at least \$750,000, as shown in the Table 3 below.

Table 3: PG&E Administrative Tasks and Budget

TASK	COST	DURATION	COST TYPE
1. Circuit level hourly forecast Vendor License/Operations	\$150,000	Ongoing	Outside contractor

2. Set-up/maintain for data transfers	\$50,000	Ongoing	Outside contractor
3. Measurement and evaluation (M&E), two studies	\$400,000	Mid-and end-point	Outside contractor
4. Customer Insights Studies	\$20,000	Mid-and end-point	Outside contractor
5. Rule 24 set-up and maintain	\$17,500	Ongoing	PG&E staff
6. Analyst (0.25 FTE @ \$150k/year for 3 years)	\$112,500	Ongoing	PG&E Staff
Total	\$750,000		

PG&E will manage its overall administrative costs identified in the table above, to the total \$750,000 admin budget. Actual spending may shift slightly among the line items in this table to keep the total amount from exceeding \$750,000.

For the activities in the first four rows of the table, PG&E will need to use outside resources, such as contractors, to implement the necessary systems and/or do the work.

- (1) The circuit level hourly forecast required in D.21-12-015 is not within PG&E's existing capability. Instead, PG&E will need to hire a vendor who can help with the IT needs and the hourly forecasting for multiple circuits for every hour of the year for the next three years.
- (2) The AG Pilot will require a data integration between PG&E and VCE and its partners, including but not limited to data elements such as hourly distribution forecast, demand response program enrollment, program enrollment/unenrollment, hourly generation and distribution prices, and monthly generation, distribution, and UUT/Franchise Tax shadow bill calculations. PG&E will also import the enrollment participation information into its Electric Rule 24 (Rule 24) database to be made available to Demand Response Providers whom the customer has authorized to access its data under Rule 24, as well as via the ShareMyData platform for third parties whom the customer has authorized to receive its data.
- (3) Measurement and evaluation (M&E) for this RTP pilot likely will involve questions not encountered before and will require extensive amounts of data to be shared between PG&E, VCE, and Temix; and D.21-12-015 requires two M&E reports, an interim report half-way through and a final report at the end. PG&E will retain outside M&E expert vendor(s) through a competitive solicitation process which will include but not be limited to the UC Davis Energy Efficiency Center..

- (4) PG&E typically conducts a customer insight study to supplement the load evaluation study, and will be doing the same for the AG pumping pilot. The purpose of the customer study is to better understand the customer experience of the AG pumping pilot participants. These studies will be conducted via consultants and selected through a competitive solicitation.
- (5) The last two rows of the table, Rule 24 set-up and maintenance and program analyst, are PG&E staff costs to implement dual participation restriction requirements and for pilot operations, including facilitating the M&E reports, managing vendors and processes required for the Distribution rate, and troubleshooting data and/or system problems that arise.

All the elements that make up PG&E's \$750,000 admin budget must be adequately funded in order for the AG pumping pilot to operate. Without them, the pilot will not be able to operate and provide the experience and lessons that it is intended to provide.

Customer Eligibility

Customers must take energy service from VCE as their CCA to participate, and must be a PG&E customer for distribution service on a PG&E Agricultural electric schedule. Only agricultural pumping loads qualify for the Pilot.

Customers must enroll in one of the following rates to participate in this pilot: AG-A1, AG-A2, AG-B, AG-C. Legacy AG rates will not be supported because they have distribution on-peak hours that are not consistent with peak CAISO hours. Customers on NEM 1 or NEM 2 tariffs are also eligible. Customers on Virtual NEM (VNEM), NEM aggregation (NEMA), NEM Paired Storage and NEM Multiple Tariff should not be eligible for the Pilot distribution RTP rate because these complex NEM rates have billing components, such as generation allocation percentages, which are calculated at the end of the bill cycle using total monthly kWh, making it difficult for customers to know how to respond to the price signals because they can't effectively evaluate their usage until the end of the bill period. In addition, NEMA and VNEM customers may have difficulty optimizing their load when generators and benefitting accounts are on different circuits that will have different prices.

Dual Participation shall be prohibited between the Distribution RTP component rates in the Pilot and load management approaches or demand response programs that are dispatched or otherwise based on day-ahead price signals (including Emergency Load Reduction Program [ELRP], California State Emergency Program [CSEP], Demand Response Auction Mechanism [DRAM] and the Capacity Bidding Program [CBP]. Dual Participation is also not allowed between the Distribution RTP component rates and programs that are dispatched based on day-of conditions such as Base Interruptible Program [BIP], or that have day-of options such as ELRP.

The Customer's service account may not be simultaneously enrolled in any market-integrated Demand Response program offered by PG&E, a third-party Demand Response Provider, or Community Choice Aggregator.

Prohibited resources (i.e., generally fossil fueled backup generation) should not be used in lieu of load reduction during high priced periods, as the use of such resources contradicts one of the purposes of Real Time Pricing, which is to reduce Greenhouse Gas emissions.

The pilot scale is limited to 5 MW of peak load. PG&E interprets this to be the customers' aggregated maximum annual peak load. Since VCE is responsible for enrolling customers into this Pilot, PG&E respectfully requests that VCE provide monthly reporting to the Energy Division and to PG&E capturing the enrolled demand, and the methodology for calculating that aggregated load such that the Commission and PG&E can track progress and determine when the pilot is fully subscribed.

PG&E also expects that customers enrollment into the pilot rate will be governed by Electric Rule 12. However, consistent with PG&E's Commercial Electric Vehicle and General Rate Case RTP proceedings,⁴ if the customer has already made a rate change in the year, the customer can still enroll in the RTP pilot. Customers must remain enrolled in the pilot for a minimum of one year. The customer's ability to disenroll if the customer has received the incentive for pump integration and automation is discussed in the following paragraph.

D.21-012-15 authorized up to \$200/kW for pump integration and automation. "This incentive requires a minimum three-year participation requirement by the customer, or for the duration of the pilot if it is extended up to a maximum of five years."⁵ PG&E assumes that VCE will be responsible for administering the incentive, and ensuring adherence to the participation requirement.

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

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than February 24, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

⁴ Application 20-10-011 and 19-11-019, respectively.

⁵ D21-12-015, footnote 178, page 95.

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice submittal become effective on regular notice, March 6, 2022, 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 R.20-11-003. 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

cc: Service List R.20-11-003



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6495-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's Advice Letter to D.21-12-015 Agricultural Pumping Dynamic Rate Pilot

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.21-12-015

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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: 3/6/22

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 proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
52546-E	ELECTRIC PRELIMINARY STATEMENT PART CZ DISTRIBUTION REVENUE ADJUSTMENT MECHANISM Sheet 4	50197-E
52547-E	ELECTRIC PRELIMINARY STATEMENT PART CZ DISTRIBUTION REVENUE ADJUSTMENT MECHANISM Sheet 5	
52548-E	ELECTRIC TABLE OF CONTENTS Sheet 1	52288-E
52549-E	ELECTRIC TABLE OF CONTENTS Sheet 13	51200-E



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- aa. A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights.
- bb. A debit entry to record one-twelfth of the authorized annual revenue requirement, for the Transportation Electrification Balancing Account subaccounts associated with (1) the Charge Smart and Save Program, authorized in Decision (D.)16-12-065, (2) four Priority Review Projects and one evaluation expense subaccount, authorized in D.18-01-024, (3) the Direct Current Fast Charger (Fast Charge) Make-Ready Program, the Medium and Heavy-Duty Vehicle Charging (Fleet Ready) Program, and Program Evaluation expenditures approved in D.18-05-040, (4) the Empower Electric Vehicle Charger Incentive and Education Program, authorized in D.19-09-006, and (5) the EV Charge Parks and EV Charge Schools Pilot Programs, authorized in D.19-11-01
- cc. A debit entry to record PG&E's prorata portion of the authorized Essential Usage Study (EUS) related revenue requirements, exclusive of the Enhanced Web Tool portion and inclusive of RF&U, over the period from when the revenue requirements begins and the completion of the schedule of activities. A corresponding entry is included in the EUSEBA, which excludes an allowance for RF&U.
- dd. A debit entry to record PG&E's prorata portion of the authorized Enhanced Web Tool portion of the EUS related revenue requirements, inclusive of RF&U, over the period from when the revenue requirements begins and the completion of the schedule of activities. A corresponding entry is included in the EUSEBA, which excludes an allowance for RF&U.
- ee. A debit entry equal to one-twelfth (or amortization period approved) of the electric distribution portion of the interim rate relief as authorized by the CPUC in D.19-04-039, D.20-10-026, or future interim rate relief Decisions as authorized by the Commission.
- ff. A debit entry equal to the costs to charge the battery associated with the Llagas Energy Storage Project.
- gg. A credit entry equal to the CAISO market revenues received, net of any related charges, for the Llagas Energy Storage Project.
- hh. A debit entry to record one-twelfth (or amortization period approved) of the adopted Critical Peak Pricing related revenue requirement for the implementation of the new event hours, inclusive of RF&U, over the period from when the adopted revenue requirement begins and the completion of the schedule of activities. A corresponding entry is included in DREBA, which excludes an allowance for RF&U.
- ii. A debit entry to record the delivery component of the customer bill savings from the Valley Clean Energy (VCE) Dynamic Rate Pilot.

(N)
(N)
(L)
(L)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 5

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- jj.. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of 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.

(L)
|
|
|
|
(L)

(Continued)

Advice 6495-E
Decision D.21-12-015

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted February 4, 2022
Effective _____
Resolution _____



ELECTRIC TABLE OF CONTENTS

Sheet 1

TABLE OF CONTENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page.....		52548-E	(T)
Rate Schedules.....	48262,48263,48264,48265,52289,49647,47616,49654,48268-E		
Preliminary Statements.....	48269,48064, 52549 ,41723,49327,48076,51192-E		(T)
Preliminary Statements, Rules.....		52290-E,	
Rules		52474,51987-E	
Maps, Contracts and Deviations.....		37960-E	
Sample Forms.....	47207,49743,49301,51240, 49303,49304,		
.....	52291 ,51242, 52292 ,49308,49309,49310,49311-E		

(Continued)

Advice 6495-E
Decision D.21-12-015

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted February 4, 2022
Effective _____
Resolution _____



ELECTRIC TABLE OF CONTENTS

Sheet 13

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Preliminary Statements (Cont'd)		
Part CG	Utility Generation Balancing Account	43449,44453-E
Part CH	Utility Retained Generation Income Tax Memorandum Account	20502-E
Part CJ	Negative Ongoing Transition Charge Memorandum Account.....	25999-E
Part CK	Distribution Bypass Deferral Rate Memorandum Account	20619-E
Part CP	Energy Resource Recovery Account.....	47630,30255,43452,47631,50582,46213,46214,51194,51195,51196-E
Part CQ	Modified Transition Cost Balancing Account.....	43459,45688-E
Part CZ	Distribution Revenue Adjustment Mechanism.....	40829,40544,41717, 52546,52547-E (T)

(Continued)

Advice 6495-E
February 4, 2022

Attachment 2

Redline Tariffs



**ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM**

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- aa. A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights.
- bb. A debit entry to record one-twelfth of the authorized annual revenue requirement, for the Transportation Electrification Balancing Account subaccounts associated with (1) the Charge Smart and Save Program, authorized in Decision (D.)16-12-065, (2) four Priority Review Projects and one evaluation expense subaccount, authorized in D.18-01-024, (3) the Direct Current Fast Charger (Fast Charge) Make-Ready Program, the Medium and Heavy-Duty Vehicle Charging (Fleet Ready) Program, and Program Evaluation expenditures approved in D.18-05-040, (4) the Empower Electric Vehicle Charger Incentive and Education Program, authorized in D.19-09-006, and (5) the EV Charge Parks and EV Charge Schools Pilot Programs, authorized in D.19-11-01
- cc. A debit entry to record PG&E's prorata portion of the authorized Essential Usage Study (EUS) related revenue requirements, exclusive of the Enhanced Web Tool portion and inclusive of RF&U, over the period from when the revenue requirements begins and the completion of the schedule of activities. A corresponding entry is included in the EUSEBA, which excludes an allowance for RF&U.
- dd. A debit entry to record PG&E's prorata portion of the authorized Enhanced Web Tool portion of the EUS related revenue requirements, inclusive of RF&U, over the period from when the revenue requirements begins and the completion of the schedule of activities. A corresponding entry is included in the EUSEBA, which excludes an allowance for RF&U.
- ee. A debit entry equal to one-twelfth (or amortization period approved) of the electric distribution portion of the interim rate relief as authorized by the CPUC in D.19-04-039, D.20-10-026, or future interim rate relief Decisions as authorized by the Commission.
- ff. A debit entry equal to the costs to charge the battery associated with the Llagas Energy Storage Project.
- gg. A credit entry equal to the CAISO market revenues received, net of any related charges, for the Llagas Energy Storage Project.
- hh. A debit entry to record one-twelfth (or amortization period approved) of the adopted Critical Peak Pricing related revenue requirement for the implementation of the new event hours, inclusive of RF&U, over the period from when the adopted revenue requirement begins and the completion of the schedule of activities. A corresponding entry is included in DREBA, which excludes an allowance for RF&U.

ii. A debit entry to record the delivery component of the customer bill savings from the Valley Clean Energy (VCE) Dynamic Rate Pilot. (N)
(N)

(L)
(L)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 4

ii. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of 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.

(L)
|
|
|
(L)

**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
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
International Power Technology

Intertie

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