

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6524E
As of April 15, 2022

Subject: Modifying Electric Preliminary Statement Part HM and Electric Preliminary Statement Part HS Pursuant to Decision 22-02-002

Division Assigned: Energy

Date Filed: 03-14-2022

Date to Calendar: 03-16-2022

Authorizing Documents: D2202002

Disposition:	Accepted
Effective Date:	03-14-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



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

March 14, 2022

Advice 6524-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Modifying Electric Preliminary Statement Part HM and Electric Preliminary Statement Part HS Pursuant to Decision 22-02-002

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this compliance advice letter pursuant to Ordering Paragraph (OP) 9 of Decision (D.) 22-02-002 approving PG&E's 2022 Energy Resource Recovery Account (ERRA) forecast generation revenue requirement Application, in California Public Utilities Commission (CPUC or Commission) docket Application (A.) 21-06-001 (2022 ERRA Forecast).

Background

In its 2022 ERRA Forecast, PG&E requested the Commission to update the cost recovery treatment for certain procurement directed by Public Utility Regulatory Policies Act (PURPA) federal legislation requirements for eligible resources with nameplate capacity under 20 megawatts (MW) in order to be consistent with other CPUC decisions. For the settlement of these PURPA contracts, the Commission deemed the Power Charge Indifference Adjustment (PCIA) nonbypassable charge to be appropriate for must-offer contracts authorized in D.10-12-035 and in D.20-05-006.

On February 10, 2022, the Commission approved PG&E's 2022 ERRA Forecast Application in D.22-02-002 (ERRA Forecast Decision) by adopting the following: (1) PG&E's 2022 forecast of electric sales; (2) 2022 forecasted energy procurement revenue requirements to be effective in rates on or after March 1, 2022; (3) GHG allowance revenue return forecast and costs; (4) rate design proposals associated with PG&E's proposed electric-procurement related revenue requirements, including its 2022 Green Tariff Shared Renewables (GTSR) and Enhanced Community Renewables rate proposal; (5) a methodology to transfer certain year-end 2021 ERRA balances to the latest vintage of the Portfolio Allocation Balancing Account (PABA); and (6) transfer of public-policy related procurement costs from the nonvintage PABA sub-account to the Public Policy Charge Balancing Account (PPCBA), for recovery of such public policy related

procurement from all customers through the Public Purpose Program Charge on a going-forward basis.¹

OP 9 specifically states that PG&E “shall retire the non-vintage Power Charge Indifference Adjustment subaccount, transfer the balance to a newly created subaccount in the Public Policy Charge Balancing Account, and file a Tier 1 Advice Letter within 30 days of this Decision to establish a new subaccount in the Public Policy Charge Balancing Account to recover any current or future public policy costs associated with the new Public Utility Regulatory Policies Act contracts.” In this timely submitted advice letter, PG&E seeks to retire the non-vintage PABA subaccount, with future costs and revenues tracked in the newly created Public Policy Charge Procurement Subaccount. The transfer of balances accumulated in the nonvintage PABA subaccount to the new PPCBA subaccount will occur once the revisions to Electric Preliminary Statement Part HM become effective, with the disposition of the prior period balances occurring during the next applicable rate change.

1. Modifying the Cost Recovery Treatment of PURPA Contracts Ensures PG&E Upholds its Commitment as a Settling Party

In December 2019, the Commission issued D.19-12-010 resolving issues related to Phase 2 of PG&E's 2017 ERRA Forecast concerning a negative indifference amount balance attributable to pre-2009 DA customers. Specifically, the 2017 ERRA Phase 2 Decision approved a *Settlement Agreement Resolving the Negative Indifference Amount Balance for Pre-2009 Direct Access Customers* between PG&E, the Direct Access Customer Coalition, and the California Large Energy Consumers Association addressing cost responsibility for pre-2009 vintaged PCIA customers. Parties to the settlement agreed that the negative indifference amount balance attributable to pre-2009 DA customers should be eliminated. As a party to the settlement, PG&E recognized that the PCIA obligation for pre-2009 DA customers terminated in the year that the California Department of Water Resources contracts expired. However, the settlement does not constitute approval or precedent for issues in future proceedings, such as if the Commission prospectively orders new resources procured by the Investor Owned Utilities (IOUs) to be recovered through the PCIA from all departing load customers.

In the previous year, in 2018, the Commission opened a new rulemaking to revise its PURPA requirements, CPUC docket R.18-07-017, after a federal court found that the Under 20 MW contract authorized in D.10-12-035 did not comply with the PURPA federal legislation.² This 2018 rulemaking resulted in D.20-05-006 adopting a new standard offer Under 20 MW contract with time of execution and time of delivery pricing and directed the

¹ D.22-02-002, OP 1, 2, 3, 5, 7, 9.

² The District Court determined that the Commission's PURPA contract “failed to provide QFs the option to choose energy rates determined either at the time of contract execution or at the time of product delivery as required by 18 C.F.R. §§ 292.304(d)(2)(i) and (ii). (*Winding Creek Solar LLC v. Peevey*, 293 F.Supp.3d 980, 990-91 (N.D. Cal. 2017); *aff'd sub nom. Winding Creek Solar LLC v. Peterman*, 932 F.3d 861 (9th Cir. 2019).)

IOUs to modify its tariff in order to recover the costs from all bundled service and departing load customers from the PCIA on a nonvintaged basis. On June 15, 2020, PG&E established the nonvintage PABA subaccount pursuant to D.20-05-006.³

2. The Cost Allocation of Various PURPA Contracts Has Evolved in the Years Following the QF/CHP Settlement

For many years, the cost allocation treatment of must-offer Qualifying Facility (QF) contracts under the Commission's PURPA program for generation under 20 MW was determined based on D.10-12-035, adopting a Settlement Agreement resolving years of prior litigation with new delivery and pricing features. This decision determined cost allocation would be based on the following criteria: (1) combined heat and power (CHP) generation recovered from all benefiting customers via the Cost Allocation Mechanism and (2) non-CHP renewable resources recovered via the PCIA. In the ensuing years, the QF/CHP Settlement PURPA contract became the starting point for other renewable contracts with rates for delivery higher than the utility's avoided cost. Ten years later, the Commission approved a new QF PURPA standard offer contract with time of execution and time of delivery pricing.⁴

Meanwhile, in a separate proceeding (R.18-07-003), Energy Division was developing updates to a different PURPA program for the Bioenergy Market Adjusting Tariff (BioMAT). One proposed modification was to change the cost recovery of BioMAT contracts from the vintaged PCIA to a more equitable mechanism. Ultimately, the Commission agreed that "BioMAT is one of the policy programs aiming to achieve statewide air quality, climate, waste diversion, and public safety goals" and that "[b]ecause the benefits of BioMAT program are shared by all Californians, it is equitable that the cost of the program is shared by all Californians."⁵ The Commission adopted broad cost recovery through the Public Policy Program (PPP) charge to ensure all benefiting customers in PG&E's service territory share the costs, rather than continuing with the vintaged PCIA cost recovery mechanism.⁶

In its 2022 ERRA Forecast Application, PG&E asked that the Commission reconsider the cost allocation adopted in D.20-05-006 in order to align it to several CPUC directives. PG&E requested that the CPUC permit PG&E to recover costs associated with the under 20 MW QF contracts from all customers while allowing PG&E to honor its Settlement Agreement with pre-2009 Direct Access customers.⁷ In D.22-02-002, the Commission

³ PG&E's Advice 5852-E, submitted on June 15, 2020; hyperlink at: https://www.pge.com/tariffs/assets/pdf/advicelatter/ELEC_5852-E.pdf.

⁴ D.20-05-006, OP 15.

⁵ D.20-08-043, p. 13.

⁶ See PG&E Advice 5966-E (submitted October 1, 2020); hyperlink at: https://www.pge.com/tariffs/assets/pdf/advicelatter/ELEC_5966-E.pdf.

⁷ D.19-12-010 (resolving Phase 2 issues in PG&E's 2017 ERRA Forecast concerning a negative indifference amount balance attributable to pre 2009 DA customers).

adopted PG&E's proposal to (1) recover costs associated with the under 20 MW QF contract approved in D.10-12-035 through the PPP charge, mirroring the authority granted by the CPUC for BioMAT tariff contracts, (2) retire the nonvintage PCIA subaccount created in D.20-05-006 and transferring the accumulated balances to a new PPCBA subaccount, (3) record future costs and revenue associated with eligible Under 20 MW QFs to a new PPCBA subaccount, and (4) determine that the PPP is the appropriate rate component for costs associated with D.20-05-006 generation costs.

Tariff Changes

Electric Preliminary Statement Part HM – Public Policy Charge Balancing Account

The purpose of the PPCBA is to track revenues and actual costs to implement adopted programs, including customer solar programs, that may be funded through public policy funds. These programs include Disadvantaged Communities Green Tariff and Community Solar Green Tariff with specific Community Choice Aggregator program costs and revenues tracked in their respective subaccounts.

Under the authority in D.22-02-002, PG&E proposes tariff changes for ratemaking purposes to transfer the balances currently recorded to a nonvintage PABA subaccount for legacy QF procurement under the QF Settlement and for any new procurement authorized in D.20-05-006.

Electric Preliminary Statement Part HS – Portfolio Allocation Balancing Account

The purpose of the PABA is to recover above market costs for PCIA-eligible generation resources from both bundled and departing load customers. This balancing account is comprised of a series of subaccounts referred to as "vintage subaccount" for which PCIA-eligible generation resources are assigned based on the year the resource commitment is made (i.e., contract execution date or construction start date in the case of utility-owned generation (UOG)). The above market costs for each vintage subaccount are determined by summing the following activity applicable to a vintage.

Under the authority in D.22-02-002, PG&E proposes to eliminate the nonvintage PABA subaccount that PG&E established in implementing D.20-05-006.⁸

Attached to this advice letter are Electric Preliminary Statement Part HM and Part HS with the revisions set forth below:

⁸ PG&E's Advice 5852-E, submitted on June 15, 2020; hyperlink at: https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5852-E.pdf.

1. Electric Preliminary Statement Part HM – Public Policy Charge Balancing Account:

- To add a subaccount for Public Purpose Charge procurement to track the following:
 - Total costs associated with eligible Under 20 MW PURPA renewable purchased power contract obligations (e.g., non-CHP resources such as solar and small hydro) authorized in D.10-12-035.⁹
 - Total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the New System Generation Charge and recorded to the CLPSA of the New System Generation Balancing Account.
 - Total net revenues (or charges) for all California Independent System Operator activity associated with generating resources recovered in the subaccount.
 - Balance transfers of amounts from other accounts as approved by the CPUC.
 - Any associated customer billed revenues and interest.

2. Electric Preliminary Statement Part HS – Portfolio Allocation Balancing Account:

- To modify by removing (1) the description of the nonvintage subaccount and an introduction of it in the Accounting Procedures section (Sheet 1); (2) introduction of the nonvintage subaccount that applied to entries in the detailed Accounting Procedures section (Sheet 2); and (3) the description of recorded costs associated with New SOC obligations pursuant to D.20-05-006 (Sheet 5).

Revisions to the tariffs in accordance with D.22-02-002 are provided in Attachment A with a redline version of these changes in Attachment B.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 4, 2022, which is 21 days after the date of this submittal.¹⁰ Protests must be submitted to:

⁹ At present, the costs and revenues approved in Resolution (Res.) E-5037 and Res. E-5119 for three QF generators are the only entries in the nonvintage PCIA subaccount that are subject to the authorization in D.22-02-002, OP 9 to “transfer the balance to a newly created subaccount in the Public Policy Charge Balancing Account”.

¹⁰ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by one additional day because twenty days following submission of this advice letter is Sunday, April 3, 2022.

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

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

Pursuant to GO 96-B, Rule 5.1, this advice letter is submitted with a Tier 1 designation. PG&E requests that this advice letter become effective upon the date of submittal, which is March 14, 2022.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.17-06-026, R.18-07-017, and A.21-06-001. Address changes to the GO 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: Tariffs
Attachment B: Redline Tariff Revisions

cc: Service Lists R.17-06-026, R.18-07-017, and A.21-06-001



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6524-E

Tier Designation: 1

Subject of AL: Modifying Electric Preliminary Statement Part HM and Electric Preliminary Statement Part HS Pursuant to Decision 22-02-002

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.22-02-002

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: N/A

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: N/A

Resolution required? Yes No

Requested effective date: 3/14/22

No. of tariff sheets: 11

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 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 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:
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.
52782-E	ELECTRIC PRELIMINARY STATEMENT PART HM PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA) Sheet 1	51243-E
52783-E	ELECTRIC PRELIMINARY STATEMENT PART HM PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA) Sheet 5	51247-E
52784-E	ELECTRIC PRELIMINARY STATEMENT PART HM PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA) Sheet 6	51248-E
52785-E	ELECTRIC PRELIMINARY STATEMENT PART HM PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA) Sheet 7	51249-E
52786-E	ELECTRIC PRELIMINARY STATEMENT PART HM PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA) Sheet 8	
52787-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 1	52559-E
52788-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 2	47858-E
52789-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 5	51197-E
52790-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 6	51198-E
52791-E	ELECTRIC TABLE OF CONTENTS Sheet 1	52762-E
52792-E	ELECTRIC TABLE OF CONTENTS Sheet 17	52562-E



ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)

Sheet 1

HM. Public Policy Charge Balancing Account (PPCBA)

1. **PURPOSE:** The purpose of the Public Policy Charge Balancing Account (PPCBA) is to track revenues and actual costs incurred to implement adopted programs that may be funded through public policy funds.
2. **APPLICABILITY:** The subaccounts will apply to all bundled customer electric rate schedules, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATES:** The disposition of the balances in the respective subaccounts will be determined through the advice letter process or an Application.
4. **RATES:** The rate applicable to PPCBA is set forth in Electric Preliminary Statement Part I.
5. **ACCOUNTING PROCEDURE:** The following entries will be made each month, as applicable, excluding amounts for Revenue Fees and Uncollectible.

The PPCBA has ten subaccounts:

(T)

Disadvantaged Communities Green Tariff (DAC-GT) Subaccount is a two-way balancing account that tracks the annual funding of the program through greenhouse gas (GHG) auction proceeds and public policy revenues compared to costs incurred to implement, operate, maintain, and administer the program. Funding through GHG and public policy revenues is consistent with California Public Utility Commission (CPUC) and California Air Resources Board (CARB) rules, including any prohibition on the use of GHG revenue to fund or administer volumetric discounts.

Community Solar Green Tariff (CS-GT) Subaccount is a two-way balancing account that tracks the annual funding of the program through GHG auction proceeds and public policy revenues compared to costs incurred to implement, operate, maintain, and administer the program. Funding through GHG and public policy revenues is consistent with CPUC and CARB rules, including any prohibition on the use of GHG revenue to fund or administer volumetric discounts.

Disadvantaged Communities Single-Family Solar Homes (DAC-SASH) Subaccount is a balancing account that tracks the authorized funding through Greenhouse Gas (GHG) and public policy revenue against the remittance to Program Administrator to cover the cost of the program.

Public Policy Charge Procurement (PPCP) Subaccount is a two-way balancing account that records and recovers the above market costs associated with New Qualifying Facility (QF) Standard Offer Contracts (SOC) approved pursuant to D.20-05-006 and any new or existing Standard Contract for QFs 20 MW or Less pursuant to D.10-12-035 (QF Settlement) authorized by the Commission.

(N)

(N)

Public Policy Charge Programs Subaccount is a two-way balancing account that tracks the adopted revenue requirement for (1) San Joaquin Valley Disadvantaged Communities Data Gathering Plan where the program costs are tracked in San Joaquin Valley Disadvantaged Communities Data Gathering Plan Memorandum Account (SJVDAC DGPMA), (2) Net Energy Metering measurement and evaluation costs where the program costs are tracked in Net Energy Metering Balancing Account (NEMBA), (3) San Joaquin Valley Disadvantaged Communities Pilot costs which are tracked in San Joaquin Valley Disadvantaged Communities Pilot Balancing Account (SJVDAC PBA), (4) the program costs for the Behind-the-Meter (BTM) Thermal Storage Program, and (5) the incremental administrative and information technology costs implementing the bill protection and transition community solar discount and the resulting discounts authorized for SJVDAC per D.20-04-006.

(Continued)

Advice 6524-E
Decision 22-02-002

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

March 14, 2022
March 14, 2022



ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)

Sheet 5

HM. Public Policy Charge Balancing Account (PPCBA) (Cont'd)

5. ACCOUNTING PROCEDURE (Cont'd):

C. DAC-SASH Subaccount (Cont'd):

- e. An entry equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

D. Public Policy Charge Procurement (PPCP) Subaccount:

- a. A credit entry equal to public policy revenues associated with this program.
- b. A debit entry equal to total costs associated with eligible Under 20 MW PURPA renewable purchased power contracts authorized in D.10-12-035, which excludes other PURPA regulated procurement channels (e.g., ReMaT and BioMAT).
- c. A debit entry equal to total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- d. A debit or credit entry equal to the net charges or revenues for all CAISO activity associated with generating resources recovered in the PPCP Subaccount, which includes energy purchases and revenues, miscellaneous charges and revenues, and ancillary service revenues, if any.
- e. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.
- f. An entry equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (N)

E. Public Policy Charge Programs Subaccount:

- g. A debit entry, as appropriate, to record the transfer of amounts from the SJVDAC DGPMA as approved by the CPUC to record the adopted cost recovery.
- b. A debit entry, as appropriate, to record the transfer of amounts from the NEMBA as approved by the CPUC to record the adopted cost recovery.
- c. A debit entry equal to one-twelfth of the annual authorized revenue requirement (including Revenue Fees and Uncollectible (RF&U) accounts expense) for the San Joaquin Valley Disadvantaged Communities Pilot Projects one-way subaccount.
- d. A debit entry equal to the program costs for the BTM Thermal Storage Program that shall not exceed the authorized budget. (L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)

Sheet 7

HM. Public Policy Charge Balancing Account (PPCBA) (Cont'd)

5. ACCOUNTING PROCEDURE (Cont'd):

H. East Bay Community Energy DAC-GT and CSGT Subaccount:

- a. A credit entry equal to GHG revenue set-aside authorized for East Bay Community Energy's DAC-GT and CSGT Programs to be transferred from the GHGRBA.
- b. A credit entry equal to public policy revenues associated with this program.
- c. A debit entry equal to the payout to East Bay Community Energy associated with funding its Commission-authorized budget for its DAC-GT and CSGT Programs.
- d. A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical, Release, H.15, or its successor.

(T)/(L)

(L)

I. Peninsula Clean Energy DAC-GT and CSGT Subaccount:

- a. A credit entry equal to GHG revenue set-aside authorized for Peninsula Clean Energy's DAC-GT and CSGT Programs to be transferred from the GHGRBA.
- b. A credit entry equal to public policy revenues associated with this program.
- c. A debit entry equal to the payout to Peninsula Clean Energy associated with funding its Commission-authorized budget for its DAC-GT and CSGT Programs.
- d. A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical, Release, H.15, or its successor.

(T)

J. San Jose Clean Energy DAC-GT Subaccount:

- b. A credit entry equal to GHG revenue set-aside authorized for San Jose Clean Energy's DAC-GT Program to be transferred from the GHGRBA.
- c. A credit entry equal to public policy revenues associated with this program.
- d. A debit entry equal to the payout to San Jose Clean Energy associated with funding its Commission-authorized budget for its DAC-GT Program.
- e. A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical, Release, H.15, or its successor.

(T)

(L)

(L)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)**

Sheet 8

- HM. Public Policy Charge Balancing Account (PPCBA) (Cont'd) (N)
- 5. ACCOUNTING PROCEDURE (Cont'd): (N)
 - K. Clean Power San Francisco DAC-GT and CSGT Subaccount:** (T)/(L)
 - a. A credit entry equal to GHG revenue set-aside authorized for Clean Power San Francisco's (SF) DAC-GT and CSGT Programs to be transferred from the GHGRBA.
 - b. A credit entry equal to public policy revenues associated with this program.
 - c. A debit entry equal to the payout to Clean Power SF associated with funding its Commission-authorized budget for its DAC-GT and CSGT Programs.
 - d. A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical, Release, H.15, or its successor. (L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 1

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

- 1. PURPOSE: The purpose of the PABA is to record the “above-market” costs of all generation resources that are eligible for recovery through Power Charge Indifference Adjustment (PCIA) rates.

The PABA is comprised of subaccounts for each year’s vintage portfolio resources, that records the costs, market revenues, and imputed revenues of all generation resources executed or approved by the Commission for cost recovery that year. Amounts will include costs related to contracts executed with third parties and utility-owned generation. (D)

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts and utility-owned generation (UOG) resources can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the resource would be reclassified back to its original cost recovery mechanism, which in the case of a PCIA-eligible resource would be a PABA vintage subaccount. Pursuant to D.20-06-002, PCIA-eligible resources that are reclassified from NSGC back to PCIA will be exempt from the PCIA rate cap authorized in D.18-10-019.

Decision 22-01-023 modified the ERRA Trigger calculation to consider ERRA balances net of the PABA balances when calculating over- or under-collected amounts that are above the 4 percent trigger and are forecast to exceed the 5 percent threshold.

In D.22-01-023, the Commission authorized disposition of the year-end ERRA balances via a transfer to the most recent vintage PABA subaccount.

- 2. APPLICABILITY: The PABA shall apply to all customer classes, except for those specifically excluded by the Commission.
- 3. REVISION DATES: Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC in the annual ERRA forecast proceeding or an ERRA Trigger Application, including the provision that disposition of the year-end balance in the ERRA shall be to the PABA upon submission (where a Tier 1 advice letter is currently required) or approval (where a Tier 2 advice letter is currently required) by the Commission of the applicable compliance advice letter addressing such balance.
- 4. RATES: PABA rates are included in the effective rates set forth in each rate schedule.
- 5. ACCOUNTING PROCEDURES: The PABA consists of two types of subaccounts: (T)

“Legacy Utility Owned Generation Subaccount” records and recovers the above market costs associated with adopted revenue requirements related to PG&E-owned generation installed before 2002 (“Legacy UOG”), including capital and related non-fuel operating and maintenance expenses. Legacy UOG includes PG&E’s hydroelectric and nuclear generation facilities. (D)

“Vintage Subaccounts” record and recover the above market power costs associated with PG&E’s authorized procurement plan by vintage. Power costs recorded in each vintage subaccount include, but are not limited to, fuel and greenhouse gas (GHG) costs, third party power purchase contracts, and utility owned generation revenue requirements. These costs are offset by CAISO generation revenues, forward sales revenues, and PCIA revenues from customers assigned to the vintage subaccount. Note that each year beginning with 2009 has its own vintage subaccount. Resources are assigned to a vintage portfolio based on the year the generation resource commitment is made (i.e., contract execution date or Commission approval of UOG construction) and customers are assigned to a vintage based on their departure date. Customers who depart before July 1 of a given year are assigned to the prior year’s vintage. (D)

(Continued)

Advice	6524-E	Issued by	Submitted	March 14, 2022
Decision	22-02-002	Robert S. Kenney	Effective	March 14, 2022
		Vice President, Regulatory Affairs	Resolution	



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 2

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

In Compliance with Decision (D.) 20-06-002, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for resource adequacy will be recovered through the New System Generation Charge (NSGC) and recorded to Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA). Resources recovered through the NSGC and recorded to the CLPSA in the NSGBA will be excluded from the PABA vintage subaccount for the duration of the resources contract with the CPE. At the end of the CPE contract the resource will be reclassified back to its original cost recovery mechanism, which for a PCIA-eligible resource would be to a PABA vintage subaccount. When the resource is reclassified from recovery through the NSGC back to PCIA recovery, the resource will be exempt from the PCIA rate cap adopted in D.18-10-019.

The PCIA vintage each UOG facility is assigned is shown below:

<u>Facility</u>	<u>Vintage Subaccount</u>
Colusa	2009
Gateway	2009
Humboldt	2009
Fuel Cells	2010
Photovoltaic Solar	2010 and 2012

The following entries will be made to the Legacy UOG and Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense: (D)

Customer Billed Revenue Entries:

- a. A credit entry equal to PCIA revenues attributable to the Vintage from bundled customers.
- b. A credit entry equal to PCIA revenues attributable to the Vintage from DA customers.
- c. A credit entry equal to PCIA revenues attributable to the Vintage from CCA customers.
- d. A debit or credit entry equal to the difference between the vintaged PCIA revenues attributable to bundled customers served under the Disadvantaged Communities Green Tariff (DAC-GT) rate schedule and PCIA billed under the DAC-GT customer's otherwise applicable rate tariff.
- e. A debit or credit entry equal to the difference between the vintaged PCIA revenues attributable to bundled customers served under the Community Solar Green Tariff (CS-GT) rate schedule and PCIA billed under the CS-GT customer's otherwise applicable rate tariff.

Actual Sold Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) Transaction Entries:

- f. A credit entry equal to revenues received for Actual Sold RPS transactions.
- g. A credit entry equal to revenues received for Actual Sold RA transactions.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 5

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Contract Costs:

- (D)
- (D)
- ab. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC, which excludes non-CTC QF costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
- ac. A debit entry equal to bilateral contract obligations, which excludes bilateral costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
- ad. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS, net of interim renewable resource costs supporting the DAC-GT Program, and net of WREGIS fees supporting the DAC-GT and the CS-GT Programs. (T)
- ae. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts, which excludes QF/non-CHP costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)
- af. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA, which excludes combined heat and power costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

GHG Costs:

- ag. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts, including carrying costs, which excludes GHG costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

Green Tariff Shared Renewables (GTSR) Program Entries

- ah. A credit or debit entry to reflect the transfer of PCIA Program Charge expense associated with the GTSR Program for customers taking service under Schedule E-GT) schedule, equal to the PCIA Program Charge rate, multiplied by the kWh delivered under the program to the E-GT customers for the month, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (T)
- ai. A credit or debit entry to reflect the transfer of PCIA Program Charge expense associated with the GTSR Program for customers taking service under Schedule E-ECR, equal to the PCIA Program Charge rate, multiplied by the kWh delivered under the program to the E-ECR customers for the month, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (T)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 6

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Miscellaneous Costs

- aj. A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments. (T)
- ak. A debit entry equal to any other power costs associated with procurement. (T)
- al. A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage. (T)
- am. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC. (T)

Interest:

- an. 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. (T)

6. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) SUBACCOUNT

The purpose of the PCIA Subaccount is an interim subaccount that tracks the difference between the actual PCIA revenue based on currently effective PCIA rates and the imputed PCIA revenue based on the PCIA rates proposed in PG&E's currently pending ERRA Forecast proceeding in the event the rates in that proceeding are approved after January 1st.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month, or as applicable, excluding an allowance for RF&U account expense, until the authorized PCIA rate is implemented:

- a) A debit entry equal to imputed PCIA revenue based on the PCIA rate as adopted by the Commission;
- b) A credit or debit entry equal to the recorded PCIA revenues; and
- c) A credit or debit entry to transfer the balance as authorized by the Commission.

(Continued)

Advice	6524-E	Issued by	Submitted	March 14, 2022
Decision	22-02-002	Robert S. Kenney	Effective	March 14, 2022
		Vice President, Regulatory Affairs	Resolution	



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(Continued)

Attachment B

Redline Tariff Revisions



ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)

Sheet 1

HM. Public Policy Charge Balancing Account (PPCBA)

1. **PURPOSE:** The purpose of the Public Policy Charge Balancing Account (PPCBA) is to track revenues and actual costs incurred to implement adopted programs that may be funded through public policy funds.
2. **APPLICABILITY:** The subaccounts will apply to all bundled customer electric rate schedules, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATES:** The disposition of the balances in the respective subaccounts will be determined through the advice letter process or an Application.
4. **RATES:** The rate applicable to PPCBA is set forth in Electric Preliminary Statement Part I.
5. **ACCOUNTING PROCEDURE:** The following entries will be made each month, as applicable, excluding amounts for Revenue Fees and Uncollectible.

The PPCBA has ~~nine~~ten subaccounts:

(T)

Disadvantaged Communities Green Tariff (DAC-GT) Subaccount is a two-way balancing account that tracks the annual funding of the program through greenhouse gas (GHG) auction proceeds and public policy revenues compared to costs incurred to implement, operate, maintain, and administer the program. Funding through GHG and public policy revenues is consistent with California Public Utility Commission (CPUC) and California Air Resources Board (CARB) rules, including any prohibition on the use of GHG revenue to fund or administer volumetric discounts.

Community Solar Green Tariff (CS-GT) Subaccount is a two-way balancing account that tracks the annual funding of the program through GHG auction proceeds and public policy revenues compared to costs incurred to implement, operate, maintain, and administer the program. Funding through GHG and public policy revenues is consistent with CPUC and CARB rules, including any prohibition on the use of GHG revenue to fund or administer volumetric discounts.

Disadvantaged Communities Single-Family Solar Homes (DAC-SASH) Subaccount is a balancing account that tracks the authorized funding through Greenhouse Gas (GHG) and public policy revenue against the remittance to Program Administrator to cover the cost of the program.

Public Policy Charge Procurement (PPCP) Subaccount is a two-way balancing account that records and recovers the above market costs associated with New Qualifying Facility (QF) Standard Offer Contracts (SOC) approved pursuant to D.20-05-006 and any new or existing Standard Contract for QFs 20 MW or Less pursuant to D.10-12-035 (QF Settlement) authorized by the Commission.

(N)

|

|

(N)

Public Policy Charge Programs Subaccount is a two-way balancing account that tracks the adopted revenue requirement for (1) San Joaquin Valley Disadvantaged Communities Data Gathering Plan where the program costs are tracked in San Joaquin Valley Disadvantaged Communities Data Gathering Plan Memorandum Account (SJVDAC DGPMA), (2) Net Energy Metering measurement and evaluation costs where the program costs are tracked in Net Energy Metering Balancing Account (NEMBA), (3) San Joaquin Valley Disadvantaged Communities Pilot costs which are tracked in San Joaquin Valley Disadvantaged Communities Pilot Balancing Account (SJVDAC PBA), (4) the program costs for the Behind-the-Meter (BTM) Thermal Storage Program, and (5) the incremental administrative and information technology costs implementing the bill protection and transition community solar discount and the resulting discounts authorized for SJVDAC per D.20-04-006.

(Continued)

Advice	6308-E	Issued by	Submitted	September 1, 2021
Decision	18-06-027	Robert S. Kenney	Effective	October 1, 2021
		Vice President, Regulatory Affairs	Resolution	



**ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)**

Sheet 5

HM. Public Policy Charge Balancing Account (PPCBA) (Cont'd)

5. ACCOUNTING PROCEDURE (Cont'd):

C. DAC-SASH Subaccount (Cont'd):

- e. An entry equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

D. Public Policy Charge Procurement (PPCP) Subaccount:

(N)

- a. A credit entry equal to public policy revenues associated with this program.
- b. A debit entry equal to total costs associated with eligible Under 20 MW PURPA renewable purchased power contracts authorized in D.10-12-035, which excludes other PURPA regulated procurement channels (e.g., ReMaT and BioMAT).
- c. A debit entry equal to total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.
- d. A debit or credit entry equal to the net charges or revenues for all CAISO activity associated with generating resources recovered in the PPCP Subaccount, which includes energy purchases and revenues, miscellaneous charges and revenues, and ancillary service revenues, if any.
- e. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.
- f. An entry equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

ED. Public Policy Charge Programs Subaccount:

(T)

- a. A debit entry, as appropriate, to record the transfer of amounts from the SJVDAC DGPMA as approved by the CPUC to record the adopted cost recovery.
- b. A debit entry, as appropriate, to record the transfer of amounts from the NEMBA as approved by the CPUC to record the adopted cost recovery.
- c. A debit entry equal to one-twelfth of the annual authorized revenue requirement (including Revenue Fees and Uncollectible (RF&U) accounts expense) for the San Joaquin Valley Disadvantaged Communities Pilot Projects one-way subaccount.
- d. A debit entry equal to the program costs for the BTM Thermal Storage Program that shall not exceed the authorized budget.

(L)
(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HM
PUBLIC POLICY CHARGE BALANCING ACCOUNT (PPCBA)

Sheet 8

HM. Public Policy Charge Balancing Account (PPCBA) (Cont'd)

(N)

5. ACCOUNTING PROCEDURE (Cont'd):

(N)

KJ. Clean Power San Francisco DAC-GT and CSGT Subaccount:

(T)/(L)

- a. A credit entry equal to GHG revenue set-aside authorized for Clean Power San Francisco's (SF) DAC-GT and CSGT Programs to be transferred from the GHGRBA.
- b. A credit entry equal to public policy revenues associated with this program.
- c. A debit entry equal to the payout to Clean Power SF associated with funding its Commission-authorized budget for its DAC-GT and CSGT Programs.
- d. A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the ending balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical, Release, H.15, or its successor.

(L)

(Continued)

Advice
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 1

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

- 1. PURPOSE: The purpose of the PABA is to record the "above-market" costs of all generation resources that are eligible for recovery through Power Charge Indifference Adjustment (PCIA) rates.

The PABA is comprised of subaccounts for ~~non-vintaged portfolio resources and~~ each year's vintage portfolio resources, that records the costs, market revenues, and imputed revenues of all generation resources executed or approved by the Commission for cost recovery that year. Amounts will include costs related to contracts executed with third parties and utility-owned generation.

(D)

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts and utility-owned generation (UOG) resources can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the resource would be reclassified back to its original cost recovery mechanism, which in the case of a PCIA-eligible resource would be a PABA vintage subaccount. Pursuant to D.20-06-002, PCIA-eligible resources that are reclassified from NSGC back to PCIA will be exempt from the PCIA rate cap authorized in D.18-10-019.

Decision 22-01-023 modified the ERRA Trigger calculation to consider ERRA balances net of the PABA balances when calculating over- or under-collected amounts that are above the 4 percent trigger and are forecast to exceed the 5 percent threshold.

In D.22-01-023, the Commission authorized disposition of the year-end ERRA balances via a transfer to the most recent vintage PABA subaccount.

- 2. APPLICABILITY: The PABA shall apply to all customer classes, except for those specifically excluded by the Commission.
- 3. REVISION DATES: Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC in the annual ERRA forecast proceeding or an ERRA Trigger Application, including the provision that disposition of the year-end balance in the ERRA shall be to the PABA upon submission (where a Tier 1 advice letter is currently required) or approval (where a Tier 2 advice letter is currently required) by the Commission of the applicable compliance advice letter addressing such balance.
- 4. RATES: PABA rates are included in the effective rates set forth in each rate schedule.
- 5. ACCOUNTING PROCEDURES: The PABA consists of ~~three-two~~ types of subaccounts:

(T)

~~"Non-vintaged Subaccount" records and recovers the above market costs associated with New Qualifying Facility (QF) Standard Offer Contracts (SOC) approved pursuant to D.20-05-006 and any new or existing Standard Contract for QFs 20 MW or Less pursuant to D.10-12-035 (QF Settlement) that the Commission authorizes be recovered on a non-vintaged basis.~~

(D)

↓

(D)

"Legacy Utility Owned Generation Subaccount" records and recovers the above market costs associated with adopted revenue requirements related to PG&E-owned generation installed before 2002 ("Legacy UOG"), including capital and related non-fuel operating and maintenance expenses. Legacy UOG includes PG&E's hydroelectric and nuclear generation facilities.

"Vintage Subaccounts" record and recover the above market power costs associated with PG&E's authorized procurement plan by vintage. Power costs recorded in each vintage subaccount include, but are not limited to, fuel and greenhouse gas (GHG) costs, third party power purchase contracts, and utility owned generation revenue requirements. These costs are offset by CAISO generation revenues, forward sales revenues, and PCIA revenues from customers assigned to the vintage subaccount. Note that each year beginning with 2009 has its own vintage subaccount. Resources are assigned to a vintage portfolio based on the year the generation resource commitment is made (i.e., contract execution date or Commission approval of UOG construction) and customers are assigned to a vintage based on their departure date. Customers who depart before July 1 of a given year are assigned to the prior year's vintage.

(Continued)

Advice	6515-E	Issued by	Submitted	February 25, 2022
Decision	D.22-01-023 and D.22-02-002	Robert S. Kenney Vice President, Regulatory Affairs	Effective Resolution	February 25, 2022



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 2

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

In Compliance with Decision (D.) 20-06-002, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for resource adequacy will be recovered through the New System Generation Charge (NSGC) and recorded to Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA). Resources recovered through the NSGC and recorded to the CLPSA in the NSGBA will be excluded from the PABA vintage subaccount for the duration of the resources contract with the CPE. At the end of the CPE contract the resource will be reclassified back to its original cost recovery mechanism, which for a PCIA-eligible resource would be to a PABA vintage subaccount. When the resource is reclassified from recovery through the NSGC back to PCIA recovery, the resource will be exempt from the PCIA rate cap adopted in D.18-10-019.

The PCIA vintage each UOG facility is assigned is shown below:

<u>Facility</u>	<u>Vintage Subaccount</u>
Colusa	2009
Gateway	2009
Humboldt	2009
Fuel Cells	2010
Photovoltaic Solar	2010 and 2012

The following entries will be made to the ~~Non-vintaged~~-Legacy UOG and Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense: (D)

Customer Billed Revenue Entries:

- a. A credit entry equal to PCIA revenues attributable to the Vintage from bundled customers.
- b. A credit entry equal to PCIA revenues attributable to the Vintage from DA customers.
- c. A credit entry equal to PCIA revenues attributable to the Vintage from CCA customers.
- d. A debit or credit entry equal to the difference between the vintaged PCIA revenues attributable to bundled customers served under the Disadvantaged Communities Green Tariff (DAC-GT) rate schedule and PCIA billed under the DAC-GT customer's otherwise applicable rate tariff.
- e. A debit or credit entry equal to the difference between the vintaged PCIA revenues attributable to bundled customers served under the Community Solar Green Tariff (CS-GT) rate schedule and PCIA billed under the CS-GT customer's otherwise applicable rate tariff.

Actual Sold Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) Transaction Entries:

- f. A credit entry equal to revenues received for Actual Sold RPS transactions.
- g. A credit entry equal to revenues received for Actual Sold RA transactions.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 5

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Contract Costs:

~~ab. A debit entry equal to total costs associated with New QF SOC obligations authorized pursuant to D.20-05-006, which excludes New QF SOC costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA.~~ (D)

abe. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC, which excludes non-CTC QF costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

acd. A debit entry equal to bilateral contract obligations, which excludes bilateral costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

ade. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS, net of interim renewable resource costs supporting the DAC-GT Program, and net of WREGIS fees supporting the DAC-GT and the CS-GT Programs. (T)

aef. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts, which excludes QF/non-CHP costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

afg. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA, which excludes combined heat and power costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

GHG Costs:

agh. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts, including carrying costs, which excludes GHG costs associated with PCIA-eligible resources procured by the Central Procurement Entity for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T)

Green Tariff Shared Renewables (GTSR) Program Entries

ahi. A credit or debit entry to reflect the transfer of PCIA Program Charge expense associated with the GTSR Program for customers taking service under Schedule E-GT) schedule, equal to the PCIA Program Charge rate, multiplied by the kWh delivered under the program to the E-GT customers for the month, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (T)

aij. A credit or debit entry to reflect the transfer of PCIA Program Charge expense associated with the GTSR Program for customers taking service under Schedule E-ECR, equal to the PCIA Program Charge rate, multiplied by the kWh delivered under the program to the E-ECR customers for the month, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs. (T)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART HS
PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

Sheet 6

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Miscellaneous Costs

- ajk.** A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments. (T)
- akl.** A debit entry equal to any other power costs associated with procurement. (T)
- alm.** A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage. (T)
- amf.** A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC. (T)

Interest:

- ane.** 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. (T)

6. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) SUBACCOUNT

The purpose of the PCIA Subaccount is an interim subaccount that tracks the difference between the actual PCIA revenue based on currently effective PCIA rates and the imputed PCIA revenue based on the PCIA rates proposed in PG&E's currently pending ERRA Forecast proceeding in the event the rates in that proceeding are approved after January 1st.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month, or as applicable, excluding an allowance for RF&U account expense, until the authorized PCIA rate is implemented:

- a) A debit entry equal to imputed PCIA revenue based on the PCIA rate as adopted by the Commission;
- b) A credit or debit entry equal to the recorded PCIA revenues; and
- c) A credit or debit entry to transfer the balance as authorized by the Commission.

(Continued)

**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.
Braun Blasing Smith Wynne, P.C.
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
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
McClintock IP
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
Uplight
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy