

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6596E
As of June 23, 2022

Subject: Notification of Energy Resource Recovery Account (ERRA) Reaching the Trigger Amount in Compliance with Decision 02-10-062, Decision 08-08-011, and Decision 22-01-023

Division Assigned: Energy

Date Filed: 05-16-2022

Date to Calendar: 05-23-2022

Authorizing Documents: D0210062

Authorizing Documents: D0808011

Authorizing Documents: D2201023

Disposition:	Accepted
Effective Date:	06-15-2022

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



Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

(415) 973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

May 16, 2022

Advice 6596-E

(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

Subject: Notification of Energy Resource Recovery Account (ERRA) Reaching the Trigger Amount in Compliance with Decision 02-10-062, Decision 08-08-011, and Decision 22-01-023

Purpose

Pacific Gas and Electric Company (PG&E) hereby notifies the California Public Utilities Commission (Commission or CPUC) that its Energy Resource Recovery Account (ERRA) balance net of Portfolio Allocation Balancing Account (PABA) balances has surpassed the four percent Trigger Amount based on recorded balances for the March 2022 business cycle accounting close. PG&E submits this advice letter in compliance with Decision (D.) 02-10-062, D.08-08-011, and D. 22-01-023.

PG&E does not request a change in rates because the bundled customer balance is forecast to self-correct within 120 days. Moreover, PG&E currently forecasts an end-of-year 2022 bundled share of ERRA and PABA undercollection to be \$107 million, or 1.93 percent of the prior year's generation revenues, and therefore a change in rates at this time is unnecessary.

PG&E's forecast self-correction is based on a March 28, 2022 forecast of energy prices, and is the same forecast upon which PG&E will base its 2023 ERRA Forecast Application filed on May 31, 2022. PG&E notes that volatility in the natural gas market and with electric energy prices persists. PG&E closely monitors the impact of market conditions on PG&E's account balances to determine whether a ERRA Trigger Application is later required in 2022.

Background Concerning ERRA Trigger

Under D.02-10-062, PG&E is required to file an expedited application when its ERRA balancing account is four percent over or under-collected of the prior year's recorded generation revenues (or "the ERRA Trigger framework").¹ In the ERRA trigger application, the utility would include a projected account balance in 60 days or more from

¹ D. 02-10-062, pp. 59-64; D. 04-01-040, p. 177.

the date of filing to illustrate when the balance would reach the five percent threshold. PG&E may, on an expedited basis, request a change in rates to address the over-collection or under-collection and to ensure timely recovery of the projected ERRA balance.

In D.08-08-011, the Commission authorized PG&E to notify the Commission through an advice letter when the ERRA balance exceeds its trigger amount, instead of in an expedited application, if PG&E does not seek a change in rates and the ERRA balance is expected to self-correct below the Trigger Amount within 120 days of filing.²

In D.22-01-023, the Commission modified the ERRA Trigger mechanism to consider ERRA account balances net of PABA balances when calculating whether over- or under-collections exceed the four percent trigger point and five percent threshold of the utility's authorized fuel and power purchase revenue requirement approved in the previous year.³ In compliance with D.22-01-023, PG&E submitted Advice 6515-E to, among other things, modify its Electric Preliminary Statement Part CP to reflect changes to the ERRA Trigger mechanism (e.g., to consider ERRA balance net of PABA balances).⁴ PG&E also modified its March 2022 ERRA/PABA Activity Report to present combined bundled customer ERRA net of PABA balances to describe whether the combined balances reached or exceeded the trigger.⁵

Therefore, PG&E calculates bundled customer ERRA balances net of PABA balances in determining whether PG&E's net balances are under- or over-collected for the purposes of adjusting rates and the forecast self-correction of such balances. No rate change is necessary at this time because within 120 days of this advice letter PG&E anticipates the total undercollected bundled customer ERRA balances net of PABA balances will correct below the four percent Trigger Amount established in PG&E's Advice 6502-E.⁶

Status of Bundled Share of ERRA and PABA Balance

In OP 9 of D. 22-01-023, the Commission directed the investor-owned utilities (IOU) to modify the Monthly ERRA/PABA Activity Report to include "(a) a description of the attribution of PABA balances to bundled customers, and (b) a description of whether the combined PABA and ERRA balance reached or exceeded the trigger". On April 20, 2022, PG&E submitted its March 2022 ERRA/PABA Activity Report indicating that the ERRA

² D. 08-08-011, Ordering Paragraph (OP) 3.

³ D. 22-01-023, Conclusion of Law (COL) 10, OP 8.

⁴ Energy Division approved Advice 6515-E on March 25, 2022.

⁵ D.22-01-023, OP 9.

⁶ Pursuant to D.04-01-050, PG&E is required to establish the current year's trigger amount by April 1. For 2022, PG&E submitted Advice 6502-E proposing a 4 percent trigger amount of \$223 million and a 5 percent threshold amount of \$278 million. The advice letter became effective February 15, 2022.

balance and the bundled share of PABA reached 5.79 percent, and exceeding the 2022 ERRA Trigger and Threshold Amounts established by Advice 6502-E.

Table 1 below shows combined month-end balances including actual amounts through March, consistent with PG&E's March 2022 ERRA/PABA Activity Report, and forecasted balances April through December. Table 1 also shows forecast balances based upon the assumptions to be utilized in PG&E's 2023 ERRA Forecast Application. The forecast shows self-correction within 120 days and an end-of-year 2022 forecast of ERRA and the bundled share of PABA undercollection of \$107 million, or 1.93 percent.

TABLE 1
BUNDLED SHARE OF ERRA AND PABA BALANCES
(MILLIONS OF DOLLARS)

Line No.	Business Cycle Close	ERRA	ERRA	ERRA	PABA	ERRA and	5% Threshold	Percent of prior year recorded generation revenues, excluding DWR (G)=(E)/F)*5%	
		Main (A)	PFS (B)	Main + PFS (C)=(A)+(B)		PABA (D)	PABA (E)=(C)+(D)		
1	Jan-22	399	(181)	219		219	273	4.00%	Recorded ^{1/}
2	Feb-22	426	(161)	265	(52)	213	278	3.82%	Recorded ^{1/}
3	Mar-22	111	(67)	44	278	322	278	5.79%	Recorded ^{1/}
4	Apr-22	116	(67)	49	274	323	278	5.81%	Forecast
5	May-22	47	(67)	(20)	274	254	278	4.57%	Forecast
6	Jun-22	7	(67)	(60)	273	213	278	3.82%	Forecast
7	Jul-22	58	(67)	(9)	211	202	278	3.63%	Forecast
8	Aug-22	139	(67)	72	94	167	278	2.99%	Forecast
9	Sep-22	149	(67)	82	17	99	278	1.78%	Forecast
10	Oct-22	119	(67)	52	3	56	278	1.00%	Forecast
11	Nov-22	139	(67)	72	(20)	52	278	0.93%	Forecast
12	Dec-22	215	(67)	148	(41)	107	278	1.93%	Forecast

^{1/} Recorded based on the monthly Activity Reports submitted to the Energy Division

^{2/} \$273 million is based on Advice 6145-E effective April 1, 2021 and \$278 million is based on Advice 6502-E effective February 15, 2022

Table 1, Column E, shows recorded balances for January through March and forecast balances for April through December, as calculated by the following:

- Column A: ERRA-Main records the power costs associated with PG&E's authorized procurement plan and Public Utilities Code Section 454.5 (d)(3). Power costs recorded in ERRA are applicable solely to PG&E's bundled customers.
- Column B: Power Charge Indifference Adjustment (PCIA) Financing Subaccount of the ERRA (ERRA-PFS) is the residual balance from the 2020 PCIA Cap Revenue Deferral that results from implementing the 2020 capped PCIA rates for eligible departed load customers with the revenue shortfall financed by bundled customers through their generation rates.⁷ Bundled share of the ERRA-PFS is approximately 85 percent.

⁷ D. 20-12-038, COL 9 authorized PG&E to amortize the 2020 PICA Undercollection Balancing Account undercollection and corresponding ERRA-PFS overcollection over three years

(continued next page)

- Column C: The summation of ERRA-Main and ERRA-PFS.
- Column D: PABA records the above-market costs for PCIA-eligible generation resources from both bundled and departing load customers, as authorized in D.18-10-019. The bundled share of PABA is calculated based upon the proportion of revenue requirements attributed to bundled customers in the currently effective rates.

The summation of the above, representing the bundled share of ERRA and PABA in Column E, is compared to the 5 percent Threshold amount in Column F to derive at the corresponding percentage of prior year generation revenue for that month (Column G).

The primary drivers for the bundled share of the ERRA-Main and PABA undercollection are the late implementation of 2022 ERRA and PCIA rates⁸ as well as higher than forecast market prices for PG&E's bundled load and PCIA resource market revenues. These undercollections are partially offset by the bundled share of the ERRA-PFS to be disposed of in 2023 rates pursuant to D.20-12-038.

As demonstrated above, based on its forecasting assumptions, PG&E forecasts the bundled customer balances to self-correct by July 2022, and within 120 days of this filing. Attachment 1 to this advice letter is the Declaration of Angelia Vega attesting that the account balances have reached the trigger threshold and the balance forecasted for the remainder of 2022.

No Rate Change Request is Necessary at This Time

Although PG&E's ERRA balance exceeded the Trigger Amount as of the March 2022 accounting cycle close, PG&E is not requesting a change in rates at this time because the balance is forecasted to self-correct within 120 days of this filing. Accordingly, a rate change is not necessary at this time.

The forecasted self-correction and the recommendation for no change in rates is based on a March 28, 2022 forecast of energy prices. PG&E will closely monitor the impact of market conditions on PG&E's forecasted self-correction to determine whether a ERRA Trigger Application is later required in 2022.

Request for Relief

PG&E respectfully requests that the Commission (1) acknowledge the under-collected bundled share of ERRA net of PABA and that this notification advice letter satisfies the

beginning 2021. On May 20, 2021, the Commission issued D. 21-05-030 to eliminate the PCIA rate cap, among other things.

⁸ PG&E's 2022 ERRA Forecast Decision, D.22-02-002, authorized implementation of PG&E's 2022 ERRA and PCIA rates on March 1, 2022. As a result, PG&E was collecting ERRA and PCIA revenues in January and February 2022 based on rates authorized in D.20-12-038 (2021 ERRA Forecast Decision).

D.08-08-011 and D. 22-01-023 requirements that PG&E informed the Commission when its ERRR reached the 4 percent Trigger Amount; and (2) acknowledge that no rate change is necessary to address the undercollected balance at this time.

Protests

Anyone wishing to protest this submittal may do so by letter sent via E-mail, no later than June 6, 2022, which is 21 days after the date of this submittal.⁹ Protests must be submitted to:

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 General Order (GO) 96-B, Rule 5.2, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, June 15, 2022, which is 30 calendar days from the date of submittal.

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 A.21-06-001. 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

⁹ 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, June 5, 2022.



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) #: 6596-E

Tier Designation: 2

Subject of AL: Notification of Energy Resource Recovery Account (ERRA) Reaching the Trigger Amount in Compliance with Decision 02-10-062, Decision 08-08-011, and Decision 22-01-023

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.02-10-062, D. 08-08-011, and D. 22-01-023

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

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date: 6/15/22

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

Protests and 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

PACIFIC GAS AND ELECTRIC COMPANY
DECLARATION OF ANGELIA VEGA
IN SUPPORT OF ADVICE 6596-E
PURSUANT TO THE COMMISSION'S APPROVED
ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) TRIGGER MECHANISM

I, Angelia Vega, declare as following:

1. My business address is Pacific Gas and Electric Company (“PG&E”), 300 Lakeside Drive, Oakland, California. I am a Strategic Analyst, Expert in the Portfolio and Resource Forecasting Department within the Energy Policy and Procurement organization. I am responsible for developing testimony and analysis to support proceedings filed at the California Public Utilities Commission (“CPUC” or “Commission”) on matters related to generation procurement.

2. I am a Fellow of the Chartered Association of Certified Accountants from the United Kingdom. I joined PG&E in 2005, initially working as a Senior Accounting Analyst within the Controllers’ Department, and then as an Expert Regulatory Analyst in the Rates and Regulatory Analytics Department. My assignments in these departments were: accounting for various balancing accounts; participating in the development and implementation of accounting process improvements; providing analysis on recorded and forecast electric revenue and cost; and developing testimony and analysis to support proceedings filed at the CPUC on matters related to generation procurement. My job was transferred to the Portfolio and Resource Forecasting Department in 2018. I have previously sponsored testimony before the CPUC, including in prior Energy Resource Recovery Account (ERRA) Forecast proceedings.

3. In Ordering Paragraph (OP 9) of Decision (D.) 22-01-023, the Commission directed the investor-owned utilities (IOUs) to modify the Activity Report to include “(a) a description of the attribution of PABA balances to bundled customers, and (b) a description of whether the combined PABA and ERRA balance reached or exceeded the trigger”. On April 20, 2022, PG&E submitted its March 2022 Activity Report which indicated that its ERRA and bundled share of PABA had reached 5.79%, exceeding the 2022 ERRA Trigger and Threshold Amounts of Advice 6502-E, effective February 15, 2022. Based on the March 2022 recorded balance, and forecasts of costs and revenues for April through December 2022, PG&E current end-of-year 2022 forecast bundled share of ERRA and PABA undercollection is \$107 million, or 1.93 percent as presented in Table 1 (Line 12).

TABLE 1
Bundled Share of ERRA and PABA Balances
(\$ Millions)

Line No.	Business Cycle Close	ERRA Main (A)	ERRA PFS (B)	ERRA Main + PFS (C)=(A)+(B)	PABA (D)	ERRA and PABA (E)=(C)+(D)	5% Threshold Amount ^{2/} (F)	Percent of prior year recorded generation revenues, excluding DWR (G)=(E)/F*5%	
1	Jan-22	399	(181)	219		219	273	4.00%	Recorded ^{1/}
2	Feb-22	426	(161)	265	(52)	213	278	3.82%	Recorded ^{1/}
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12	Dec-22	215	(67)	148	(41)	107	278	1.93%	Forecast

^{1/}Recorded based on the monthly Activity Reports submitted to the Energy Division

^{2/}Based on Advice 6145-E effective April 1, 2021 and Advice 6502-E effective February 15, 2022

3. The forecasted self-correction and the recommendation for no change in rates is based on a March 28, 2022 forecast of energy prices. This is the same forecast which PG&E will be filing in its 2023 ERRA Forecast Application on May 31, 2022. PG&E notes that natural gas

and electric energy prices are extremely volatile in 2022. PG&E will be closely monitoring commodity prices and the impacts on the ERRA and PABA forecasts.

I declare under penalty of perjury that the foregoing is true and correct. Executed at San Mateo, California, this 16th day of May, 2022.

/s/ *Angelia Vega*
ANGELIA VEGA

**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
Stoel Rives LLP

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