



Serving the San Mateo County Community

December 9, 2022

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter 27-E
(Peninsula Clean Energy Authority)

Advice Letter 6785-E
(Pacific Gas and Electric Company ID U 39 M)

**RE: TRUE-UP OF CAPACITY TRANSFER UNDER THE DISADVANTAGED
COMMUNITIES GREEN TARIFF PROGRAM TO ACCOMMODATE SERVICE TO
THE CITY OF LOS BANOS**

PURPOSE

Peninsula Clean Energy Authority (“PCE”) and Pacific Gas and Electric Company (“PG&E”) (collectively, the “Joint PAs”) hereby jointly submit this Advice Letter (“AL”) to true-up a transfer of capacity allocation between PCE and PG&E under the Disadvantaged Communities Green Tariff (“DAC-GT”) program. The Joint PAs proposed this capacity transfer true-up AL (“True-Up AL”) in their AL submitted on August 31, 2021 (“Capacity Transfer AL”). The Capacity Transfer AL proposed the transfer of DAC-GT program capacity necessary to ensure the continued offering of the DAC-GT program for customers in the city of Los Banos when PCE expanded its service area in early 2022.¹

TIER DESIGNATION

Pursuant to General Order (“GO”) 96-B and Energy Industry Rule 5.2, this AL is submitted with a Tier 2 designation.

EFFECTIVE DATE

The Joint PAs request that this AL become effective on January 8, 2022, which is thirty (30) calendar days after the date of submittal.

¹ See PCE AL 15-E and PG&E AL 6313-E.

BACKGROUND

On June 22, 2018, the California Public Utilities Commission (“Commission”) issued Decision (“D.”) 18-06-027 adopting three new programs to promote the installation of renewable generation among residential customers in disadvantaged communities (“DACs”),² as directed by the California Legislature in Assembly Bill (“AB”) 327.³ The three programs include the DAC Single Family Solar Homes (“DAC-SASH”) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the Community Solar Green Tariff (“CSGT”) programs, are community solar programs that offer 100% renewable energy to residential customers and provide a 20% discount on the electricity portion of the customers’ bills.

On August 20, 2018, PG&E submitted its initial AL to implement the DAC-GT and CSGT programs.⁴ On February 13, 2019, PG&E submitted a supplemental AL to address modifications made to the DAC-GT and CSGT programs in subsequent Commission decisions as well as to address issues raised in protests.⁵ On June 3, 2019, the Commission approved, with modification, PG&E’s program implementation AL in Resolution E-4999.

Pursuant to D.18-06-027, Community Choice Aggregators (“CCAs”) may also develop and implement their own DAC-GT and CSGT programs.⁶ D.18-06-027 provides that CCAs must submit a Tier 3 AL to implement the CCA DAC-GT and CSGT programs (“Implementation AL”).⁷ Accordingly, PCE submitted its Tier 3 Implementation AL on December 22, 2020 to create DAC-GT and CSGT programs.⁸ On April 15, 2021, the Commission issued Resolution E-5124, which approved PCE’s DAC-GT and CSGT Implementation AL with modifications.⁹

In Resolution E-4999, the Commission allocated a portion of PG&E’s DAC-GT program capacity (0.900 MW) to PCE based on the proportional share of residential customers in DACs that PCE serves in San Mateo County.¹⁰ Resolution E-4999 also allowed CCAs to trade capacity as long as they serve customers in the same investor-owned utility (“IOU”) service area.¹¹ However, Resolution

² DACs are defined under D.18-06-027 as communities that are identified in the CalEnviroScreen 3.0 as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. Resolution E-4999 clarified that Program Administrators must file a Tier 1 AL to update program eligibility rules within 30 days of a new release of the CalEnviroScreen tool.

³ AB 327 (Perea), Stats. 2013, ch 611.

⁴ See PG&E AL 5362-E.

⁵ See PG&E AL 5362-E-A.

⁶ D.18-06-027 at 104 (Ordering Paragraph (“OP”) 17).

⁷ *Id.*

⁸ See PCE AL 11-E.

⁹ Resolution E-5124 at 32 (OP 1).

¹⁰ Resolution E-4999 at 13.

¹¹ *Id.* at 16 and 54.

E-4999 deferred guidance on how to address CCA expansion.¹² In Resolution E-5124, the Commission approved the transfer of 0.336 MW from other CCA allocations to PCE that, when combined with PCE's original allocation in Resolution E-4999, resulted in total program capacity of 1.236 MW for PCE.¹³

As explained in its Implementation AL, PCE has long planned to expand its service area to incorporate the city of Los Banos, and PCE began serving Los Banos customers in April 2022.¹⁴ However, as noted in the Capacity Transfer AL, customers who were enrolled in PG&E's DAC-GT program would no longer be able to participate in PG&E's program once they begin receiving PCE generation service.¹⁵ Further, PCE's previous program capacity allocation of 1.236 MW was not sufficient to accommodate the transfer of incoming Los Banos customers who were already enrolled in PG&E's DAC-GT program. As a result, unless a transfer of DAC-GT capacity occurred between PG&E and PCE, Los Banos customers enrolled in PG&E's DAC-GT program faced the potential loss of DAC-GT program enrollment and the loss of the 20% bill discount upon taking service from PCE. The Capacity Transfer AL acknowledged that the general issue of capacity reallocation is expected to be addressed by the Commission as part of the IOUs' respective Applications for Review of the DAC-GT, CSGT, and Green Tariff Shared Renewables Programs,¹⁶ but any determinations made in those proceedings would be too late to address the specific transfer needed to accommodate the enrollment of Los Banos customers.¹⁷

The Joint PAs collaborated for several months prior to the submission of the Capacity Transfer AL on August 31, 2021. The Joint PAs submitted the Capacity Transfer AL to ensure that Los Banos customers can continue to participate in and benefit from the DAC-GT program following PCE's expansion into Los Banos. As set forth in the Capacity Transfer AL, PCE and PG&E estimated that 375 DAC-GT customers may be transferred to PCE and that a maximum of 2.5 MW of program capacity may need to be transferred to PCE to serve those customers as a result of PCE's expansion. Accordingly, the Joint PAs proposed a total transfer of up to 2.5 MW from PG&E's DAC-GT program capacity to PCE's DAC-GT program capacity. The Joint PAs also proposed to file the instant True-Up AL to provide the Commission with a full accounting of the final capacity transfer to account for the possibility that the needed capacity transfer could be slightly more or less than the requested 2.5 MW. The Joint PAs originally proposed that this True-Up AL be filed within 90 days after the conclusion of the Los Banos opt-out period for PCE's CCA program expansion; however, the Joint PAs agreed, in consultation with the Energy Division, that additional time was merited to enable the approach proposed herein. The Commission's Energy Division approved the Capacity Transfer AL via a disposition letter, effective as of September 30, 2021.

Since the approval of the Capacity Transfer AL, the Joint PAs' billing and programs staff have

¹² *Id.* at 17-18.

¹³ Resolution E-5124 at 18.

¹⁴ PCE AL 11-E at 14.

¹⁵ *See* Capacity Transfer AL at 3.

¹⁶ *See* PG&E Application "A.22-05-022", Southern California Edison Company Application "A.22-05-023", and San Diego Gas & Electric Company Application "A.22-05-023".

¹⁷ *See* Capacity Transfer AL at 3.

worked closely to ensure that customers in Los Banos previously enrolled in PG&E's DAC-GT program would experience a smooth transition to PCE's DAC-GT program. Through the expansion of PCE's service into Los Banos, 366 customers previously participating in PG&E's DAC-GT program were enrolled in PCE's DAC-GT program at the closing of the opt-out period for PCE's CCA program expansion. PCE calculated that, based on the historical energy usage of these customers in Los Banos, serving these customers would require a total transfer of 1.33 MW of program capacity to PCE's DAC-GT program. Therefore, in advance of this True-Up AL and consistent with the intent of the Capacity Transfer AL to ensure continuity of service for enrolled DAC-GT customers, PCE procured additional capacity from its interim resource in the amount of 1.33 MW for a total existing DAC-GT capacity of 2.57 MW. In addition, on November 17, 2022, PCE submitted AL 26-E, which included for approval by the Commission one fully executed power purchase agreement ("PPA") that resulted from PCE's initial DAC-GT Request for Offers ("RFO"). The capacity of the project associated with the PPA is equal to 3.0 MW.

PROPOSED TRUE-UP OF CAPACITY

The Joint PAs propose no true-up of the original 2.5 MW transfer. As noted above, the Capacity Transfer AL contemplated that a maximum of 2.5 MW may need to be transferred from PG&E to PCE to support the Los Banos customers previously enrolled in PG&E's DAC-GT program. Through discussions regarding the capacity true-up in connection with preparation of this AL, and in consultation with Energy Division, the Joint PAs have concluded that even though only 1.33 MW is currently necessary to serve the current Los Banos DAC-GT customers, there is good reason for PCE to retain all 2.5 MW of the proposed transfer. Keeping the 2.5 MW in PCE's DAC-GT program (i.e. not transferring back to PG&E the 1.17 MW of DAC-GT program capacity created by the delta between the currently necessary 1.33 MW for the Los Banos customers and the original transfer amount of 2.5 MW) would minimize complexity for the Joint PAs and also enable that capacity to be procured more quickly and begin delivering benefits to PCE's DAC-GT participants. Specifically, maintaining the original transfer amount of 2.5 MW would eliminate the administrative overhead of transferring the remaining 1.17 MW back to PG&E and eliminate the need for PG&E to initiate a new DAC-GT solicitation for this additional capacity – a relatively small portion of PG&E's total DAC-GT program capacity. The 2.5 MW will also optimize the delivery of benefits to additional eligible customers in PCE's service area. This additional capacity would mean that PCE would have capacity to enroll roughly 350 more eligible PCE customers, nearly doubling the number of PCE customers in Los Banos receiving solar energy, and the associated 20% bill discount, under the DAC-GT program. PCE has also confirmed with the owner of its interim existing resource that the owner can provide PCE with 1.17 MW in additional capacity from the existing resource, ensuring that PCE will be capable of immediately beginning enrollment of additional eligible customers following the disposition of this AL. Therefore, the Joint PAs propose that PCE retain the full 2.5 MW amount contemplated in the Capacity Transfer AL.

CONCLUSION

The Joint PAs respectfully request the full 2.5 MW of DAC-GT program capacity approved by the Capacity Transfer AL be retained by PCE. The 2.5 MW will enable PCE to enroll additional customers in its service area eligible for the DAC-GT program and serve administrative efficiency for both program administrators.

NOTICE

A copy of this AL is being served on the official Commission service list for R.14-07-002.

For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

PROTESTS

Anyone wishing to protest this AL may do so electronically no later than 20 days after the date of this AL. Protests should be mailed to:

CPUC Energy Division
Attention: ED Tariff Unit
Email: EDTariffUnit@cpuc.ca.gov

Copies of the protest should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this AL should be sent by letter or transmitted electronically to the attention of:

For PCE:
Jeremy Waen
Director of Regulatory Policy
Peninsula Clean Energy Authority
2075 Woodside Road
Redwood City, CA 94061
Email: jwaen@peninsulacleanenergy.com

Matthew DS Rutherford
Senior Regulatory Analyst
Peninsula Clean Energy Authority
2075 Woodside Road
Redwood City, CA 94061
Email: mrutherford@peninsulacleanenergy.com

For PG&E:
Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
E-mail: PGETariffs@pge.com

There are no restrictions on who may submit a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

CORRESPONDENCE

For questions regarding this AL, please contact Jeremy Waen, Matthew Rutherford, and Larsen Plano by electronic mail at jwaen@peninsulacleanenergy.com, mrutherford@peninsulacleanenergy.com, and larsen.plano@pge.com.

/s/ Jeremy Waen

Jeremy Waen
Director of Regulatory Policy
Peninsula Clean Energy Authority

cc: Service List: R.14-07-002

**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 Blaising 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
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Engineers and Scientists of California

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Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
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ICF

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Intestate Gas Services, Inc.

Johnston, Kevin
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OnGrid Solar
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Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

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TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

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Utility Power Solutions
Water and Energy Consulting Wellhead
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Western Manufactured Housing
Communities Association (WMA)
Yep Energy