

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6895E
As of May 8, 2023

Subject: Clean-Up of Electric Preliminary Statement Part CP and Preliminary Statement Part FS

Division Assigned: Energy

Date Filed: 03-24-2023

Date to Calendar: 03-29-2023

Authorizing Documents: E-5239

Disposition:	Accepted
Effective Date:	03-24-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio
(415) 973-8794
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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

March 24, 2023

Advice 6895-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Clean-Up of Electric Preliminary Statement Part CP and Preliminary Statement Part FS

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits for revisions to Electric Preliminary Statement Part CP and Preliminary Statement Part FS. The affected tariff sheets are listed on the enclosed Attachment 1.

Background

The purpose of this advice letter is to revise Electric Preliminary Statement Part CP and Preliminary Statement Part FS in PG&E's tariff book to consolidate language that was approved in multiple advice letters.

Preliminary Statement Part FS

On July 29, 2022, PG&E submitted Advice Letter 6654-E-A for recovery of costs associated with Modified Cost Allocation Mechanism (MCAM) procurement. On January 25, 2023, the CPUC issued a Disposition Letter approving Advice Letter 6654-E-A with an effective date of January 12, 2023.¹ Resolution E-5239 was issued on January 12, 2023 approving Advice Letter 6654-E-A.

Ordering Paragraph (OP) 4 of Resolution E-5239 rejects PG&E's tariff modifications associated with procurement authorized in D.21-03-056 and D.21-12-015, for summer 2022 and summer 2023. The tariff modifications associated with D.22-05-015, D.21-06-035, and D.19-11-016 are approved in Resolution E-5239, and are included in Preliminary Statement Part FS.

¹ [ELEC_6654-E-A.pdf \(pge.com\)](#)

Electric Preliminary Statement Part CP

On August 11 2022, PG&E submitted Advice Letter 6677-E requesting for tariff modifications to the Portfolio Allocation Balancing Account (PABA) and the Energy Resource Recovery Account (ERRA) associated with the use of interim pool resources to support PG&E's Green Tariff Shared Renewables (GTSR) Program's Solar Choice subscription levels.

Advice Letter 6677-E included the pending tariff modifications from Advice 6654-E-A in Preliminary Statement Part CP associated with procurement authorized in D.21-03-056 and D.21-12-015, for summer 2022 and summer 2023. On November 11, 2022, the CPUC issued a Disposition Letter approving advice letter 6677-E with an effective date of September 10, 2022.²

In this advice letter, PG&E removes the tariff modifications in Preliminary Statement Part CP associated with procurement authorized in D.21-03-056 and D.21-12-015, for summer 2022 and summer 2023. OP 4 of Resolution E-5239 rejects PG&E's request for approval of tariff modifications associated with procurement authorized in D.21-03-056 and D.21-12-015, for summer 2022 and summer 2022 from Advice 6654-E-A.

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

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 13, 2023, which is 20 days after the date of this submittal. Protests must be submitted to:

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

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

² [ELEC_6677-E.pdf \(pge.com\)](#)

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 5.1, PG&E requests that this Tier 1 advice submittal become effective on March 24, 2023.

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. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

- Attachment 1 – Tariffs
- Attachment 2 – Redline Tariff



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

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

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-8794

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) #: 6895-E

Tier Designation: 1

Subject of AL: Clean-Up of Electric Preliminary Statement Part CP and Preliminary Statement Part FS

Keywords (choose from CPUC listing): Tariffs

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: E-5239

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

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date: 3/24/23

No. of tariff sheets: 10

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

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

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

Tariff schedules affected: See Attachment 1

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
55767-E	ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 5	53920-E
55768-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 1	50045-E
55769-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 2	50005-E
55770-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 3	50047-E
55771-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 4	54813-E
55772-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 5	54814-E
55773-E	ELECTRIC PRELIMINARY STATEMENT PART FS NEW SYSTEM GENERATION BALANCING ACCOUNT Sheet 6	54815-E
55774-E	ELECTRIC TABLE OF CONTENTS Sheet 1	55749-E
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ELECTRIC PRELIMINARY STATEMENT PART CP
ENERGY RESOURCE RECOVERY ACCOUNT

Sheet 5

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd)

- g) A credit entry to transfer an allocated portion of the cost for import capacity rights to the NSGBA if PG&E uses existing PGE-owned import allocation rights to meet the procurement targets pursuant to D.21-02-028 or D.21-03-056. The credit entries will be based on either the average price PG&E received for sales of its excess maximum import capability or, if not available or representative of market value, another reasonable market benchmark. (T)
- h) A debit entry to reflect the resource adequacy (RA) value of procurement originally directed in the Emergency Reliability proceeding, Rulemaking 20-11-003, including resources procured pursuant to D.21-02-028, and D.21-03-056, that is transferred to ERRA to meet bundled service RA compliance requirements. The contract costs and energy benefits of the Emergency Reliability procurement, if any, will continue to be allocated to all benefitting customers through the NSGBA. (T)

System RA Value Transferred to the New System Generation Balancing Account (NSGBA):

- i) A credit entry equal to the value of RA that is excess or unsold RA capacity and that is transferred to the System Reliability Incremental Procurement Subaccount of NSGBA in order to meet the procurement targets pursuant to D.21-03-056, after having made reasonable attempts to sell excess capacity to other load-serving entities to meet their 15% planning reserve margin. The credit entry will use the most current market price benchmark for system RA, which is approved in the annual ERRA Forecast, and used to value RA capacity in the PCIA calculation. (T)

Utility-Owned Generation Related Entries:

- j) A debit or credit entry, as appropriate, to record ESA costs associated with bundled customer portfolio/procurement activity (which is embedded in the annual authorized revenue requirements associated with PG&E's owned generation).

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 1

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT

1. **PURPOSE:** The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and the costs of Power Purchase Agreements (PPAs) associated with generation resources for which the Commission has determined that the costs and benefits will be allocated to all benefitting customers, including bundled service, Direct Access, and Community Choice Aggregation customers. Subaccounts shall be established in the NSGBA for each PPA associated with an eligible generation resource or a category of generation resources for which net capacity costs have been identified as recoverable on a non-bypassable basis.

Pursuant to Decision (D.) 20-06-002, Ordering Paragraph (OP) 17, a Centralized Local Procurement Subaccount (CLPSA) is established to facilitate cost recovery of procurement and administrative costs PG&E incurs in its role as the Central Procurement Entity (CPE) through the New System Generation Charge (NSGC). The net capacity cost associated with the procurement of CLPSA-eligible resources will be equal to the costs of the contracted resource or utility-owned generation (UOG) resource, including fuel and expense associated with greenhouse gas (GHG) compliance, net of actual revenue and cost the generation resources receive in the California Independent System Operator Corporation's (CAISO) energy and ancillary market is recoverable through the NSGC. The administrative cost associated with PG&E's CPE role is also recoverable through the NSGC pursuant to D. 20-06-002.

Pursuant to D.20-12-006, OPs 3 – 6, the Commission approved a local capacity requirement reduction compensation mechanism (LCR RCM) for new preferred and energy storage resources, and certain combinations of hybrid preferred resources and energy storage resources, including new utility-owned resources that have executed contracts on or after June 17, 2020.

Modified Cost Allocation Mechanism: Pursuant to D.22-05-015, OP 10, the Commission authorizes recovery of opt-out or backstop procurement. In the event that a non-investor-owned-utility (IOU) load serving entity (LSE) declares bankruptcy or ceases providing retail service in California and has a capacity obligation under D.19-11-016 or D.21-06-035 and their retail customers are paying for capacity under the modified cost allocation mechanism (MCAM) adopted in 22-05-015. OP 10 provides that the capacity shall revert to the relevant IOU, with the costs of the associated procurement allocated thereafter using the Cost Allocation Mechanism detailed in Decision 06-07-030.

(N)
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(N)

2. **APPLICABILITY:** The NSGBA shall apply to all benefitting customers and customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The balancing account shall be tried-up annually.
4. **RATES:** The Cost Allocation Methodology (CAM) rate recovers the net capacity costs associated with NSGBA resources and is set forth in the applicable customer rate schedules.
5. **ACCOUNTING PROCEDURES:** The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:
 - a) Revenues – the following entry reflects the revenue entry equal to the CAM rate recovering net capacity costs from all CAM-eligible resources.

A credit entry equal to the revenue from the CAM rate from non-exempt retail customers during the month, excluding the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense;
 - b) Net Capacity Costs - the following entries reflect the net capacity costs associated with eligible resources, by subaccount:

(L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 2

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

- 1. QF/CHP Program Subaccount (L)
 - i. A debit entry equal to the capacity and energy costs for eligible QF/CHP Program contracts; |
 - ii. A credit entry equal to the energy revenues as established in Appendix A of D.07-09-044, Section IX.B.2 for eligible QF/CHP Program contracts. |
 - iii. Total QF/CHP Program net capacity costs are equal to the sum of lines 5.b.1.i and 5.b.1.ii. | (L)
- 2. Marsh Landing Power Purchase Agreement (PPA) Subaccount
 - i. A debit entry equal to the capacity and energy costs for the Marsh Landing PPA;
 - ii. A credit entry equal to the energy revenues, if any, as established in Appendix A of D.07-09-044, Section IX.B.2 for the CAM-eligible Marsh Landing PPA.
 - iii. Total Marsh Landing PPA net capacity costs are equal to the sum of lines 5.b.2.i and 5.b.2.ii.
- 3. Vistra Moss Landing Energy Storage Resource Adequacy Agreement (ESRAA) Subaccount
 - i. A debit entry equal to the contract costs (e.g. capacity and any other charges under the terms of the contract) for the Vistra Moss Landing ESRAA;
 - ii. A debit entry equal to the costs to charge the battery;
 - iii. A credit entry equal to the CAISO market revenues received, net of any related charges, for the CAM-eligible Vistra Moss Landing ESRAA:
- 4. Hummingbird Energy Storage Resource Adequacy Agreement (ESRAA) Subaccount
 - i. A debit entry equal to the contract costs (e.g. capacity and any other charges under the terms of the contract) for the Hummingbird ESRAA;
 - ii. A debit entry equal to the costs to charge the battery;
 - iii. A credit entry equal to the CAISO market revenues received, net of any related charges, for the CAM-eligible Humminbird ESRAA:
- 5. mNOC AERS Behind-the-Retail Meter Capacity Storage Agreement (BTM CSA) Subaccount
 - i. A debit entry equal to the contract costs (e.g. capacity and any other charges under the terms of the contract) for the mNOC AERS BTM CSA;
 - ii. A debit entry equal to the costs to charge the battery;
 - iii. A credit entry equal to the CAISO market revenues received, net of any related charges, for the CAM-eligible mNOC AERS BTM CSA:



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 3

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

6. Elkhorn Energy Storage Facility Subaccount

- i. A debit entry equal to the revenue requirement associated with operations and actual capital costs incurred related to the Elkhorn project up to the adopted amount. Capital related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- ii. A debit entry equal to the costs to charge the battery;
- iii. A credit entry equal to the CAISO market revenues received, net of any charges, for the CAM-eligible Elkhorn Energy Storage Facility:

(L)
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(L)

7. Centralized Local Procurement Subaccount

- i. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for non-utility contract resources procured by the CPE, including any LCR RCM payments made to preferred resources and energy storage resources pursuant to D.20-12-006;
- ii. A debit/credit entry equal to the capacity, fuel, and GHG compliance costs for PG&E contract resources procured by the CPE, including any LCR RCM payments made to preferred resources and energy storage resources pursuant to D.20-12-006;
- iii. A debit/credit entry equal to the authorized revenue requirement, fuel costs, and GHG compliance costs, if any, for PG&E UOG resources procured by the CPE , including any LCR RCM payments made to preferred resources and energy storage resources pursuant to D.20-12-006;
- iv. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges received by the buyer from the seller as defined in the contract terms and conditions associated with non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE;
- v. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to non-utility and PG&E contract resources and PG&E UOG resources procured by the CPE;
- vi. A debit entry equal to costs incurred by PG&E (acting as the CPE) as a result of deferring the procurement of local resource(s) and utilizing the California Independent System Operator's (CAISO's) backstop mechanisms.
- vii. Administrative costs associated with the CPE role, including but not limited to employee and consultant costs, legal fees, technology systems costs, and credit-related costs associated with CPE procurement of non-utility contracted resources and PG&E contracted resources, including pre-payments and credit and collateral payments, including all associated fees , associated with PG&E's role as the designated CPE in its distribution service area.
- viii. Total net capacity costs are equal to the sum of lines 5.b.3.i, 5.b.3.ii, 5.b.3.iii., 5.b.3.iv, 5.b.3.v, 5.b.3.vi, and 5.b.3.vii.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 4

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

- 8. Modified Cost Allocation Mechanism Subaccount (N)
 - i. A debit entry equal to the opt-out and backstop resource costs associated with MCAM procurement where the LSE is no longer serving customers in PG&E's service territory (e.g., capacity and energy, if applicable, under the terms of the contract). |
 - ii. A debit entry equal to any associated fuel costs for the MCAM resource. |
 - iii. A credit entry equal to the CAISO market revenues received, net of any related charges, for the MCAM resource, including costs to charge the resource if it is a battery storage resource. |
 - iv. A credit entry for the RPS attribute at the price established for RPS attributes subject to voluntary allocation in D.21-05-030. The MCAM RPS attributes, if any, will be included in the next available round of the voluntary allocation process associated with the current renewables portfolio standard (RPS) compliance implemented in Rulemaking 18-07-003. | (N)

9. System Reliability Incremental Procurement (T)

A. Amendments to Existing Purchase Power Agreements for Incremental Energy

- i. A debit/credit entry equal to the incremental energy costs for 10 amended contracts authorized in D.21-02-028 and approved in Advice Letter 6088-E, which will deliver incremental energy during a CAISO system emergency or Flex Alert including administrative costs associated with the procurement (e.g., Independent Evaluator expenses);
- ii. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges during the time the contract is delivering incremental energy;
- iii. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to contract resources during the time the contract is delivering incremental energy.

B. Firm Import Energy authorized in Advice Letter 6089-E

- i. A debit/credit entry equal to the energy costs for two firm energy import agreement authorized in D.21-02-028 and approved in Advice Letter 6089-E, including administrative costs associated with the procurement (e.g., Independent Evaluator expenses).

(L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 5

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

9. System Reliability Incremental Procurement (Cont'd) (T)

B. Firm Import Energy authorized in Advice Letter 6089-E (Cont'd) (L)

ii. A debit entry to record the costs resulting from the transfer of allocated portion of the import capacity rights to the NSG&A, pursuant to D.21-03-056, related to the use of existing import capacity rights to meet procurement targets in D.21-03-056. Debit entries will be based on either the average price PG&E received for sales of its excess maximum import capability or, if not available or representative, another reasonable market benchmark.

iii. A debit entry to record the costs associated with procured import capacity rights pursuant to D.21-03-056 related to the use of import capacity rights to meet procurement targets in D.21-03-056.

iv. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges during the time the contract is delivering energy.

v. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to contract resources during the time the contract is delivering energy. (L)

C. System Reliability Procurement authorized in D.21-03-056

i. A debit/credit entry for procurement costs authorized in D.21-03-056 to reach the 450 MW incremental target above PG&E's existing 15% planning reserve margin and any administrative costs associated with the incremental procurement (e.g., Independent Evaluator expenses).

ii. A debit entry to record the costs resulting from the transfer of allocated portion of the import capacity rights to the NSG&A, pursuant to D.21-03-056, related to the use of existing import capacity rights to meet procurement targets in D.21-03-056. Debit entries will be based on either the average price PG&E received for sales of its excess maximum import capability or, if not available or representative, another reasonable market benchmark.

iii. A debit entry to record the costs associated with procured import capacity rights pursuant to D.21-03-056 related to the use of import capacity rights to meet procurement targets in D.21-03-056.

iv. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges during the time the contract is delivering incremental energy.

v. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to contract resources during the time the contract is delivering incremental energy. (L)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT

Sheet 6

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

9. System Reliability Incremental Procurement (Cont'd) (T)

D. Transfer of Resource Adequacy Value for System Reliability Incremental Procurement to ERRA from NSGBA and/or transfer of Excess RA Capacity from Other Accounts to NSGBA to meet System Reliability Incremental Procurement Targets (Cont'd). (L)

i. A credit entry to transfer to ERRA costs associated with the value of RA capacity for procurement ordered as a result of the Emergency Reliability proceeding, Rulemaking 20-11-003, including contracts procured pursuant to D.21-02-028 and D.21-03-056, in the months when such contracts are used to meet bundled service customers RA compliance requirements. Energy costs and benefits associated with contracts procured pursuant to D.21-02-028 and D.21-03-056 will continue to be allocated to all benefitting customers through the NSGBA. (L)

ii. A debit entry to record costs associated with the value of the RA capacity transferred from PABA, ERRA, or the Incremental Resource Adequacy Memorandum Account (IRAMA) that are excess or unsold RA capacity or proxy RA resources. The RA capacity value recorded in NSGBA reflects the use of the capacity to meet the system reliability incremental procurement targets pursuant to D.21-03-056, after having made reasonable attempts to sell excess capacity to other load-serving entities to meet their 15% RA planning reserve margin requirements. The debit entry will be calculated using the most current market price benchmark for system RA approved in the annual ERRA Forecast, which is used to calculate the value of RA in the Power Charge Indifference Amount (PCIA) calculation.

c) Interest – the following entry equals the interest applied to the sum of revenues and net capacity costs for each subaccount for the month.

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

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Advice 6895-E
Decision

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

March 24, 2023

E-5239



ELECTRIC TABLE OF CONTENTS

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Part FR	Tax Act Memorandum Account – Electric	40003,40004-E
Part FS	New System Generation Balancing Account.....	55768,55769,55770,55771,55772,55773-E
Part FU	Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account.....	52258,40556-E
Part FX	Revised Customer Energy Statement Balancing Account – Electric (RCESBA-E)	31472-E
Part FY	Electric Program Investment Charge (EPIC) Balancing Account	52259,40558,40559-E

(Continued)

Attachment 2

Redline Tariffs



ELECTRIC PRELIMINARY STATEMENT PART CP
ENERGY RESOURCE RECOVERY ACCOUNT

Sheet 5

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd)

- g) A credit entry to transfer an allocated portion of the cost for import capacity rights to the NSGBA if PG&E uses existing PGE-owned import allocation rights to meet the ~~updated~~ procurement targets pursuant to D.21-02-028 or D.21-03-056, ~~and D.21-12-015~~. The credit entries will be based on either the average price PG&E received for sales of its excess maximum import capability or, if not available or representative of market value, another reasonable market benchmark. (P)
- h) A debit entry to reflect the resource adequacy (RA) value of procurement originally directed in the Emergency Reliability proceeding, Rulemaking 20-11-003 ~~and Rulemaking 21-10-002~~, including resources procured pursuant to D.21-02-028, ~~and D.21-03-056, and D.21-12-015~~, that ~~are is~~ transferred to ERRA to meet bundled service RA compliance requirements. The contract costs and energy benefits of the Emergency ~~and Summer~~ Reliability procurement, if any, will continue to be allocated to all benefitting customers through the NSGBA. (P)

System RA Value Transferred to the New System Generation Balancing Account (NSGBA):

- i) A credit entry equal to the value of RA that is excess or unsold RA capacity and that is transferred to the System Reliability Incremental Procurement Subaccount of NSGBA in order to meet the ~~updated~~ procurement targets pursuant to ~~D.21-12-015~~ D.21-03-056, after having made reasonable attempts to sell excess capacity to other load-serving entities to meet their 15% planning reserve margin. The credit entry will use the most current market price benchmark for system RA, which is approved in the annual ERRA Forecast, and used to value RA capacity in the PCIA calculation. (P)

Utility-Owned Generation Related Entries:

- j) A debit or credit entry, as appropriate, to record ESA costs associated with bundled customer portfolio/procurement activity (which is embedded in the annual authorized revenue requirements associated with PG&E's owned generation). (L)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 1

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT

1. **PURPOSE:** The purpose of the New System Generation Balancing Account (NSGBA) is to record the benefits and the costs of Power Purchase Agreements (PPAs) associated with generation resources for which the Commission has determined that the costs and benefits will be allocated to all benefitting customers, including bundled service, Direct Access, and Community Choice Aggregation customers. Subaccounts shall be established in the NSGBA for each PPA associated with an eligible generation resource or a category of generation resources for which net capacity costs have been identified as recoverable on a non-bypassable basis. (T)

Pursuant to Decision (D.) 20-06-002, Ordering Paragraph (OP) 17, a Centralized Local Procurement Subaccount (CLPSA) is established to facilitate cost recovery of procurement and administrative costs PG&E incurs in its role as the Central Procurement Entity (CPE) through the New System Generation Charge (NSGC). The net capacity cost associated with the procurement of CLPSA-eligible resources will be equal to the costs of the contracted resource or utility-owned generation (UOG) resource, including fuel and expense associated with greenhouse gas (GHG) compliance, net of actual revenue and cost the generation resources receive in the California Independent System Operator Corporation's (CAISO) energy and ancillary market is recoverable through the NSGC. The administrative cost associated with PG&E's CPE role is also recoverable through the NSGC pursuant to D. 20-06-002.

Pursuant to D.20-12-006, OPs 3 – 6, the Commission approved a local capacity requirement reduction compensation mechanism (LCR RCM) for new preferred and energy storage resources, and certain combinations of hybrid preferred resources and energy storage resources, including new utility-owned resources that have executed contracts on or after June 17, 2020.

Modified Cost Allocation Mechanism: Pursuant to D.22-05-015, OP 10, the Commission authorizes recovery of opt-out or backstop procurement. In the event that a non-investor-owned-utility (IOU) load serving entity (LSE) declares bankruptcy or ceases providing retail service in California and has a capacity obligation under D.19-11-016 or D.21-06-035 and their retail customers are paying for capacity under the modified cost allocation mechanism (MCAM) adopted in 22-05-015. OP 10 provides that the capacity shall revert to the relevant IOU, with the costs of the associated procurement allocated thereafter using the Cost Allocation Mechanism detailed in Decision 06-07-030.

2. **APPLICABILITY:** The NSGBA shall apply to all benefitting customers and customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The balancing account shall be trued-up annually.
4. **RATES:** The Cost Allocation Methodology (CAM) rate recovers the net capacity costs associated with NSGBA resources and is set forth in the applicable customer rate schedules.
5. **ACCOUNTING PROCEDURES:** The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:
 - a) Revenues – the following entry reflects the revenue entry equal to the CAM rate recovering net capacity costs from all CAM-eligible resources.

A credit entry equal to the revenue from the CAM rate from non-exempt retail customers during the month, excluding the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense;
 - b) Net Capacity Costs - the following entries reflect the net capacity costs associated with eligible resources, by subaccount:
 1. QF/CHP Program Subaccount
 - i. A debit entry equal to the capacity and energy costs for eligible QF/CHP

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 1

- Program contracts;
- ii. A credit entry equal to the energy revenues as established in Appendix A of D.07-09-044, Section IX.B.2 for eligible QF/CHP Program contracts.
- iii. Total QF/CHP Program net capacity costs are equal to the sum of lines 5.b.1.i and 5.b.1.ii.

(Continued)

Advice 6222-E
Decision D.21-02-028

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted June 16, 2021
Effective December 28, 2020
Resolution



**ELECTRIC PRELIMINARY STATEMENT PART FS
NEW SYSTEM GENERATION BALANCING ACCOUNT**

Sheet 4

FS. NEW SYSTEM GENERATION BALANCING ACCOUNT (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

b) Net Capacity Costs (Cont'd)

(T)

8. Modified Cost Allocation Mechanism Subaccount

i. A debit entry equal to the opt-out and backstop resource costs associated with MCAM procurement where the LSE is no longer serving customers in PG&E's service territory (e.g., capacity and energy, if applicable, under the terms of the contract).

ii. A debit entry equal to any associated fuel costs for the MCAM resource.

iii. A credit entry equal to the CAISO market revenues received, net of any related charges, for the MCAM resource, including costs to charge the resource if it is a battery storage resource.

iv. A credit entry for the RPS attribute at the price established for RPS attributes subject to voluntary allocation in D.21-05-030. The MCAM RPS attributes, if any, will be included in the next available round of the voluntary allocation process associated with the current renewables portfolio standard (RPS) compliance implemented in Rulemaking 18-07-003.

89. System Reliability Incremental Procurement

A. Amendments to Existing Purchase Power Agreements for Incremental Energy

i. A debit/credit entry equal to the incremental energy costs for 10 amended contracts authorized in D.21-02-028 and approved in Advice Letter 6088-E, which will deliver incremental energy during a CAISO system emergency or Flex Alert including administrative costs associated with the procurement (e.g., Independent Evaluator expenses);

ii. A debit/credit entry equal to the actual net revenues and costs received in the CAISO energy and ancillary services market or net revenues and costs for energy and ancillary services' payments/charges during the time the contract is delivering incremental energy;

(T)

iii. A debit/credit entry equal to miscellaneous CAISO charges/credits assigned to contract resources during the time the contract is delivering incremental energy.

B. Firm Import Energy authorized in Advice Letter 6089-E

(T)

i. A debit/credit entry equal to the energy costs for two firm energy import agreement authorized in D.21-02-028 and approved in Advice Letter 6089-E, including administrative costs associated with the procurement (e.g., Independent Evaluator expenses).

(L)

|

(L)

ii. A debit entry to record the costs resulting from the transfer of allocated portion of the import capacity rights to the NSGBA, pursuant to D.21-03-056, related to

(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 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
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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.

Resource Innovations

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