

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6921E**  
**As of May 22, 2023**

Subject: Annual Capacity Price Updates Offered to Qualifying Facilities of 20 Megawatts or Less in Compliance with Decision 20-05-006

Division Assigned: Energy

Date Filed: 04-20-2023

Date to Calendar: 04-21-2023

Authorizing Documents: D2005006

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>04-20-2023</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

[PGETariffs@pge.com](mailto: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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**

April 20, 2023

**Advice 6921-E**

Pacific Gas and Electric Company (U 39 E)

Public Utilities Commission of the State of California

**Subject: Annual Capacity Price Updates Offered to Qualifying Facilities of 20 Megawatts or Less in Compliance with Decision 20-05-006**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits the capacity prices eligible to Qualifying Facilities (QF) of 20 megawatts (MW) or less seeking to sell electricity to PG&E under the Public Utility Regulatory Policies Act of 1978 (PURPA). This advice letter is submitted in compliance with Ordering Paragraph (OP) 8 of Decision (D.) 20-05-006 (the Decision).

**Background**

On May 7, 2020, the California Public Utilities Commission (Commission) adopted a new standard offer contract pursuant to PURPA (New PURPA SOC) available to QF generators seeking to sell electricity to a Commission-jurisdictional utility.<sup>1</sup> This New PURPA SOC includes four avoided cost rates: (1) a rate determined at the time of contract execution for both capacity and energy, and (2) a rate determined at the time of product delivery for both capacity and energy. OP 1 and OP 2 of D.20-05-006 states as follows:

- 1. The energy price identified at the time of contract execution (18 C.F.R. § 292.304(d)(2)(ii)) is calculated by use of a three-year average of publicly available [California Independent System Operator (CAISO)] locational marginal prices for the PNode specific to a qualifying facility, calculated on a monthly basis with periods based on the Commission's most recently approved time-of-use periods specific to a utility, and a collar based on prices at the relevant Energy Trading Hub.*

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<sup>1</sup> The Commission issued the Decision on May 15, 2020.

2. *The capacity price identified at the time of contract execution (18 C.F.R. § 292.304(d)(2)(ii)) is calculated by use of a five-year weighted average of publicly available resource adequacy prices, shaped to time periods based on generation capacity allocation factors adopted by the Commission and applied to updated time-of-use periods, with a 2.5% escalation factor for each year of the contract term after the last year included in the average. A capacity price is based on the provision of Resource Adequacy.*

OP 4 determined that capacity prices at the time of product delivery are to be calculated by the same methodology used for capacity prices at the time of execution, but with the prices recalculated annually based on changes in the cost of resource adequacy (RA), capacity allocation factors, and/or time-of-use factors. The Decision also established the regulatory requirements for updating the capacity prices, with OP 8 requiring the investor-owned utilities to: (1) calculate revised capacity prices no later than 15 days after the Commission publishes a new RA Report, and (2) submit the revised capacity prices to the Commission via a Tier 1 advice letter.<sup>2</sup>

This advice letter is submitted in compliance with the requirements of OP 4 and OP 8 for capacity price updates. The capacity prices applicable to time of product delivery and time of execution pricing under the New PURPA SOC for contracts executed in 2023 after the effective date of this advice letter are provided below.

### **Capacity Prices at Time of Contract Execution**

In accordance with OP 2 and using the 2021 RA Report prepared by the Commission, PG&E calculates the monthly and annual capacity prices as follows:

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<sup>2</sup> The 2021 Resource Adequacy Report was published on March 14, 2023 and then revised on April 5, 2023; hyperlink at: <https://www.cpuc.ca.gov/ra>.

**TABLE 1  
CAPACITY PRICES FOR THE NEW PURPA SOC**

<b>Capacity Year</b>	<b>Total (\$/kW-month)</b>	<b>Total (\$/kW-year)</b>
2023	\$6.64	\$79.68
2024	\$6.64	\$79.68
2025	\$6.64	\$79.68
2026	\$6.81	\$81.67
2027	\$6.98	\$83.71
2028	\$7.15	\$85.81
2029	\$7.33	\$87.95
2030	\$7.51	\$90.15
2031	\$7.70	\$92.40
2032	\$7.89	\$94.71
2033	\$8.09	\$97.08
2034	\$8.29	\$99.51
2035	\$8.50	\$102.00
2036	\$8.71	\$104.55
2037	\$8.93	\$107.16

**Capacity Allocation Factor & Hourly Capacity Price**

With regards to the directive outlined in OP 4, PG&E submits capacity allocation factors (CAF) as approved in D.97-03-017 in Table 1 below.

**TABLE 2  
CAPACITY ALLOCATION FACTORS**

	CAFs (%)	
	Period A	Period B
Peak	76.19%	N/A
Partial Peak	2.38%	21.25%
Off Peak	0.02%	0.15%
Super Off Peak	N/A	N/A

Consistent with the Decision and as directed by Resolution E-5104, PG&E will calculate Hourly Capacity Prices as follows, using the Time-of-Delivery (TOD) Periods as outline in Table 2.

$$CP_{ToE} = (CAF_m / H) \times RA$$

Where:

$CP_{ToE}$  = Hourly Capacity Price at Time of Execution (\$/kWh).

CAF = Capacity Allocation Factor for the applicable Period.

H = The number of delivery hours that comprise the applicable TOD period for the applicable year during the applicable Period.

RA = Capacity Price in \$/kW-year, as derived from the latest publicly available RA Report prepared by the Commission (or the equivalent prices in the successor reports).

As submitted in PG&E's Advice 5853-E and approved by Resolution E-5104, PG&E's TOD Periods for the New PURPA SOC is submitted in Table 2 below.

**TABLE 3  
TOD PERIODS FOR THE NEW PURPA SOC**

Partial Peak	HE9 - HE16 (Monday - Saturday)
Peak	HE7 - HE8 & HE17 - HE22 (Monday - Saturday)
Off Peak	All other hours + Sunday + NERC Holidays

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than May 10, 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 CPUC:

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 96-B, Rule 5.1, and OP 8 of D.20-05-006, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice letter submittal become effective upon date of submittal, which is April 20, 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 and the parties on the service list for Rulemaking (R.) 18-07-017. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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/S/

Sidney Bob Dietz II  
Director, Regulatory Relations  
CPUC Communications

cc: Service List R.18-07-017



# 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: stuart.rubio@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) #: 6921-E

Tier Designation: 1

Subject of AL: Annual Capacity Price Updates Offered to Qualifying Facilities of 20 Megawatts or Less in Compliance with Decision 20-05-006

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.20-05-006

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: 4/20/23

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 proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss 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](mailto: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

**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