STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

January 29, 2020

Advice Letter 4152-G/5649-E

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Pacific Gas and Electric Company's 2020 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Dear Mr. Jacobson,

Advice Letter 4152-G/5649-E is approved as of October 30, 2019.

Sincerely,

Edward Randolph

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

Pacific Gas and Electric Company

Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

September 30, 2019

Advice 4152-G/5649-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: **Pacific Gas and Electric Company's 2020 Annual Low Carbon Fuel Standard Credit and Revenue Estimate**

Purpose

Pursuant to Ordering Paragraph (OP) 5 and Appendix C of Decision (D.) 14-12-083, Pacific Gas and Electric Company (PG&E) hereby submits its 2020 Annual Low Carbon Fuel Standard (LCFS) Credit and Revenue Estimate (2020 Annual Estimate).

The requirement in D.14-12-083 states that the utilities shall submit the following:

> Tier 2 Advice Letter (AL) filed no later than September 30 of each year beginning in 2015 containing information about LCFS credits and revenues for the following calendar year:

a. An estimate of the number of credits the utility expects to generate for the following year;
b. An estimate of the amount of revenue the utility expects to generate from the sale of those credits;
c. An estimate of the balance that will be in the utility's balancing account on January 1 of the following year;
d. An estimate of the cost of administering the LCFS credit program in the following year, including customer outreach expenses;
e. An estimate of the amount of revenue that will be distributed to customers in the following year; and
f. An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.

Background

Under the California Air Resources Board's (ARB) current LCFS regulation,[1] providers of alternative fuels with carbon intensities that meet the LCFS program targets[2] are eligible to voluntarily opt-in to the LCFS program to generate LCFS credits.[3] Electric distribution utilities[4] that choose to opt-in to the LCFS program act as proxy regulated entities on behalf of their customers and receive LCFS credits for electricity supplied through residential electric vehicle (EV) charging equipment.[5] Natural gas utilities that choose to opt-in to the LCFS program and own fueling stations at which fossil compressed natural gas (CNG) is dispensed to vehicles for transportation use will receive LCFS credits for fueling by public customers and their own vehicle fleets.[6]

On March 24, 2011, the California Public Utilities Commission (Commission or CPUC) opened Rulemaking (R.) 11-03-012 to address various issues related to greenhouse gas (GHG) emissions. Track 2 of R.11-03-012 addresses the use of revenues that electric and natural gas utilities (collectively, "IOUs") may receive from the sale of LCFS credits pursuant to ARB's LCFS regulation.

On May 19, 2014, the Commission issued D.14-05-021, which authorized the IOUs to sell their LCFS credits and established the criteria and reporting requirements for the sale of these credits, pursuant to Public Utilities Code Section 853(b).[7] Additionally, the Commission directed the utilities that have opted-in to the LCFS program and wish to sell LCFS credits to file a Tier 2 AL to propose their upfront standards and plans to sell their LCFS credits, as well as the policies to return the LCFS revenue to customers. Upon approval of the AL, the IOUs may begin selling LCFS credits and recover associated costs from the sales revenue.[8]

On December 18, 2014, the Commission issued D.14-12-083, which approved the IOUs' use of several different methods to return revenue from the sale of LCFS credits. For electric utilities, the Commission authorized use of either a one-time or annual rebate, or a combination of both. For natural gas utilities, the Commission authorized use of a reduction in the fuel price at utility-owned natural gas fueling stations or a credit applied to the customer's utility bill. In D.14-12-083, the Commission modified the requirements set forth in D.14-05-021[9] and required the IOUs to submit a Tier 2 AL

[1] 17 CCR § 95480 et seq.
[2] 17 CCR § 95482.
[3] 17 CCR § 95484(a)(6)(A), p. 35 ("For transportation fuel supplied through EV charging equipment in a single or multi-family residence, the Electrical Distribution utility is eligible to opt-in as the regulated party in their service territory.")
[4] 17 CCR § 95481(a)(23),p. 12 ("'Electrical Distribution Utility' means an entity that owns or operates an electrical distribution system.")
[5] D.14-12-083, p. 6.
[6] *Id.*
[7] D.14-05-021, Ordering Paragraph 1.
[8] D.14-05-021, Ordering Paragraphs 1, 6.
[9] D.14-12-083, p. 32.

containing an Implementation Plan describing the IOUs' plans for the sale of LCFS credits and return of revenue in accordance with the AL filing requirement in Appendix A of D.14-12-083.[10] The Tier 2 AL must be approved prior to commencement of the sale of LCFS Credits and the recovery of associated costs from the sales revenue.[11]

On March 18, 2015, PG&E submitted AL 3575-G/4604-E containing its Implementation Plan. Pursuant to the requirements in D.14-12-083, the Implementation Plan outlined PG&E's proposed requirements for LCFS credit sales, provided a forecast of 2015 revenue return activity, and described the proposed process for identifying revenue recipients, calculating rebate amounts, and processing rebates. The Implementation Plan also created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of consigned LCFS credits, any approved program costs, and the LCFS revenues returned to customers.

On August 7, 2015, the Commission approved PG&E's AL 3575-G/4604-E, effective immediately.

Annual Forecast

PG&E's annual forecast of LCFS program and financial data for 2020 is provided in CONFIDENTIAL Attachment A of this submittal.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 21, 2019, which is 21 days[12] after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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[10] D.14-12-083, Ordering Paragraphs 2, 3.
[11] D.14-05-021, Ordering Paragraphs 1, 6.
[12] The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
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, telephone number, postal address, and (where appropriate) 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).

Confidentiality

PG&E requests confidential treatment of the redacted information in this AL. Pursuant to D.16-08-024, a confidentiality declaration describing the information in this advice filing for which PG&E requests confidential treatment and the justification for protecting the confidentiality of the information is provided in Public Attachment B. The confidential material in this advice filing will be made available to non-market participants in accordance with and upon execution of PG&E's Proposed Non-Disclosure Certificate Agreement. Parties wishing to obtain access to the confidential material of this advice filing may contact Christopher J. Warner in PG&E's Law Department at cjw5@pge.com to obtain a non-disclosure agreement.

Tier Designation

Pursuant to D.14-12-083, this advice letter is submitted with a Tier 2 designation.

Effective Date

PG&E requests that this Tier 2 advice submittal become effective upon October 30, 2019, which is 30 calendar days from the submittal date.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.11-03-012. 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/.

/S/

Erik Jacobson
Director, Regulatory Relations

cc: Service List R.11-03-012

Attachments

Attachment A: Pacific Gas and Electric Company's 2020 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

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 U39M)

Utility type:

- ☑ ELC
- ☑ GAS
- ☐ WATER
- ☐ PLC
- ☐ HEAT

Contact Person: Yvonne Yang
Phone #: (415)973-2094
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: OXY1@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) #: 4152-G/5649-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's 2020 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

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.14-12-083

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:

Confidential treatment requested? ☑ Yes ☐ No

If yes, specification of confidential information: Yes, see attached confidentiality Declaration
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: David Almeida, DBA9@pge.com

Resolution required? ☐ Yes ☑ No

Requested effective date: 10/30/19

No. of tariff sheets: N/A

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[1]: N/A

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

[1]Discuss in AL if more space is needed.

Clear Form

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

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102 Email: EDTariffUnit@cpuc.ca.gov	Name: Erik Jacobson, c/o Megan Lawson Title: Director, Regulatory Relations Utility Name: Pacific Gas and Electric Company Address: 77 Beale Street, Mail Code B13U City: San Francisco, CA 94177 State: California Zip: 94177 Telephone (xxx) xxx-xxxx: (415)973-2093 Facsimile (xxx) xxx-xxxx: (415)973-3582 Email: PGETariffs@pge.com
	Name: Title: Utility Name: Address: City: State: District of Columbia Zip: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:

Clear Form

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, David Almeida, am the Manager of Clean Energy Transportation Regulatory Compliance and Pilots of Pacific Gas and Electric Company ("PG&E"), a California corporation. Vincent Davis, the Vice President of Customer Energy Solutions of PG&E, delegated authority to me to sign this declaration. My business office is located at:

   Pacific Gas and Electric Company
   77 Beale Street, Mail Code 921A
   San Francisco, CA 94105

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission ("CPUC") or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

   Name or Docket No. of CPUC Proceeding (if applicable): (R.) 11-03-012, *Order Instituting Rulemaking to Address Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions 2.*

3. Title and description of document: *Advice Letter 4152-G/5649-E , Pacific Gas and Electric Company's 2020 Annual Low Carbon Fuel Standard Credit and Revenue Estimate.*

4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart, with further detail provided in Appendix A, which is incorporated into this declaration:

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
☐	Customer-specific data, which may include demand, loads, names, addresses, and billing data (Protected under PUC § 8380; Civ. Code §§ 1798 *et seq.*; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)	
☐	Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver's license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual (Protected under Civ. Code §§ 1798 *et seq.;* Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)	
☐	Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113 (Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)	
X	Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data (Protected under Civ. Code §§3426 *et seq.*; Govt. Code §§ 6254, *et seq*., e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)	Gray shaded areas of pages 1-12 of Attachment A
☐	Corporate financial records (Protected under Govt. Code §§ 6254(k), 6254.15)	

☐	Third-Party information subject to non-disclosure or confidentiality agreements or obligations (Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)	
☐	Other categories where disclosure would be against the public interest (Govt. Code § 6255(a)) [NEED TO EXPLAIN HOW THE PUBLIC INTEREST SERVED BY NOT DISCLOSING THE RECORD CLEARLY OUTWEIGHS THE PUBLIC INTEREST SERVED BY DISCLOSURE]): ____________________________ ____________________________________ ____________________________________	

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 27th day of September, 2019 at San Francisco, California.

David Almeida
Manager, Clean Energy Transportation
Pacific Gas and Electric Company

ATTACHMENT A

PACIFIC GAS AND ELECTRIC COMPANY’S 2020 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE

PACIFIC GAS AND ELECTRIC COMPANY'S 2020 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE

I. INTRODUCTION

Pursuant to Ordering Paragraph (OP) 5 and Appendix C of Decision (D.) 14-12-083, Pacific Gas and Electric Company (PG&E) presents the following annual estimate for the calendar year 2020 for the sale of Low Carbon Fuel Standard (LCFS) credits and return of associated revenue to eligible electric and natural gas customers.

The estimated values presented below rely on several input variables, each of which can potentially have a large range of possible values and can significantly influence the resulting estimates. These input variables include changes to the LCFS regulation[12], electric vehicle adoption within PG&E's service territory, natural gas fuel consumption, the price of LCFS credits, program administrative costs, and the number of electric vehicle rebate applicants, among others. For the purpose of this estimate, PG&E provides figures based on reasonable assumptions of values for each of the input variables. The actual values of the input variables, and therefore, the resulting revenues and rebate amounts, could differ significantly from the figures provided in this 2020 Annual Estimate.

2020 represents a unique transition year due to the launch of the statewide point-of-purchase Clean Fuel Reward program, estimated to launch in Q2 2020. Upon program launch, PG&E will begin to transition from its Clean Fuel Rebate program to the statewide Clean Fuel Reward program. Details of this transition and the impact to credit and revenue estimates are outlined throughout Section II.

II. 2020 ELECTRIC ESTIMATE

A. Credit Estimate. *An estimate of the number of credits the utility expects to generate for the following year.*

As described in its March 18, 2015 Advice Letter (AL) 3575-G/4604-E containing plans for the sale of LCFS credits and return of revenue to customers ("Implementation Plan"), PG&E receives LCFS credits from the California Air Resources Board (ARB) for the use of electricity as a transportation fuel. For the purpose of this filing, "Electric Credits" shall be defined as LCFS credits received for separately metered residential electric usage and

[12] Per changes to the current LCFS regulation, PG&E anticipates that its current Clean Fuel Rebate program will transition to a statewide point-of-purchase program, subject to CPUC approval. Please see Section E below for more details.

workplace charging, as well as non-separately metered residential electric vehicle charging and forklift credits.[13] [14]

PG&E estimates it will generate [redacted] credits during calendar year 2020, based on assumptions about the number of electric vehicles in PG&E's territory, ARB's credit estimation methodology, and the inputs to that methodology.[15] Furthermore, PG&E assumes that it will receive a total of [redacted]

B. Revenue Estimate. *An estimate of the amount of revenue the utility expects to generate from the sale of credits sold in the following year.*

For the purpose of this estimate, PG&E assumes [redacted] PG&E estimates a LCFS credit price of $173.50.[16] At this price, the market value of [redacted]

C. Balancing Account Estimate as of January 1, 2020. *An estimate of the balance that will be in the utility's balancing account on January 1 of the following year.*

PG&E's March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.[17]

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E's Greenhouse Gas Revenue Balancing Account (GHGRBA) on January 1, 2020 is

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[13] Implementation Plan, pp. 11-12. PG&E receives Electric Credits quarterly for the immediately preceding quarter for separately metered residential electric vehicle charging, and non-separately metered residential electric vehicle charging. PG&E receives residential estimated credits for residential electric charging and workplace credits the quarter following reporting based on ARB calculations.

[14] PG&E began receiving forklift credits in 2017 and workplace credits in 2018 totaling [redacted] to date. PG&E began selling these credits in Q2 2019. The revenue generated from the sale of these credits will be held until a revenue distribution program has been determined.

[15] Since credits are received in later periods than the periods in which the fuel is dispensed, this figure reflects the number of credits that PG&E estimates will generate 2020 and not the number of credits PG&E will receive in 2020.

[16] Average LCFS credit price for 2018 and 2019 based on ARB's Monthly LCFS Credit Transfer Activity Report for August 2019 https://ww3.arb.ca.gov/fuels/lcfs/credit/Aug%202019%20-%20Monthly%20Credit%20Transfer%20Activity.pdf

[17] AL 3575-G/4604-E, Appendices B, C.

calculated as the balance in the account at the end of August 2019, which includes actual revenue received through August 2019, less actual administrative costs incurred for the same time period, plus estimated additional revenue from the sale of credits through 2019, plus the estimated additional administrative costs to be incurred in the remainder of 2019, less any contingency amount, less actual and estimated revenue distributed to customers in 2019.

PG&E plans to [redacted]

PG&E estimates it will [redacted]

As of September 2019, [redacted] PG&E expects to [redacted] and incur an additional $508,000 from administrative tasks. [redacted]

D. Administrative Cost Estimate. *An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.*

PG&E estimates that its total administrative costs in 2020 will be approximately $1.69 million. The costs of administering the LCFS credit program in 2020 include the following categories – marketing and customer outreach to promote the Clean Fuel Rebate (CFR) program and transition to the statewide Clean Fuel Reward program[19], development and maintenance of supporting IT systems, and ongoing labor for program management, credit sales, processing rebates, and call center operations. A brief description of each category of administrative cost is provided:

- Marketing. Outreach to current and potential electric vehicle owners to create awareness of PG&E's LCFS rebate program for electricity through the use of direct and indirect (third-party) channels, utilizing a variety of tactics including email, PG&E's website, public events, and earned and paid digital media. PG&E expects to increase marketing efforts in 2020 to increase awareness of the transition to the Clean Fuel Reward, and to increase awareness for customers that have not

[18] [redacted]

[19] Per changes to the current LCFS regulation, PG&E anticipates that its current Clean Fuel Rebate program will transition to the Clean Fuel Reward, statewide point-of-purchase program, subject to CPUC approval. Please see Section E below for more details.

previously applied to the Clean Fuel Rebate so that they have the opportunity to apply prior to the program sunsetting.

- IT Systems. Development and maintenance of IT systems that support the intake, verification, and processing of customer rebate applications online, including any changes necessary to allow for the Clean Fuel Rebate program and the statewide Clean Fuel Reward program to run simultaneously; which may include verification of eligibility for PG&E's Clean Fuel Rebate based on vehicle purchase date and location, as well as confirmation that participation is limited to either PG&E's CFR program or the statewide Clean Fuel Reward program.

- Program Management. Personnel to manage PG&E's LCFS program, including LCFS reporting to ARB for credit generation and the implementation of the revenue return program, and support of the transition to the statewide Clean Fuel Reward, and LCFS regulatory coordination.

- Credit Sales. Personnel to implement PG&E's sale of Electric Credits.

- Processing Rebate Applications. Personnel to verify customer-provided information in rebate applications and process those rebate applications. PG&E expects an increase in rebate applications processed and paid in 2020 due to an increased eligible applicant pool based on increased EV adoption, the anticipated program sunset and transition to the Clean Fuel Reward, as well as outreach to encourage applications to the Clean Fuel Rebate for vehicles purchased in the past but which have not received the rebate.

- Call Center. Personnel to address questions and inquiries from customers contacting PG&E call centers regarding the LCFS rebate program or application process. PG&E anticipates an estimated 20% increase in call volume due to program changes happening in 2020 including the launch of the statewide program, and the ramp down and sunset of PG&E's CFR program, as well as questions about eligibility during the overlap of PG&E's rebate program and the Clean Fuel Reward program.

For the purpose of this estimate, PG&E provides the following estimated administrative costs for the electric portion of the LCFS program:

Table 1 – 2020 Electric Administrative Costs

Item	Fixed Cost	Variable Cost	Total Cost
Marketing and Customer Outreach	$32,000.00	$197,000.00	$229,000.00
IT Systems	$50,000.00	$35,000.00	$85,000.00
Program Management	$307,000.00	$0	$307,000.00
Credit Sales	$58,000.00	$0	$58,000.00
Processing Rebate Applications	$663,000.00	$157,000.00	$820,000.00
Call Center	$155,000.00	$31,000.00	$186,000.00
TOTALS	$1,265,000.00	$420,000.00	$1,685,000.00

E. Revenue to be Distributed to Customers. *An estimate of the amount of revenue that will be distributed to customers in the following year*

In its Implementation Plan, PG&E described its proposed method for calculating the amount of revenue that will be distributed to customers:

> PG&E will calculate in advance the rebate amount to be distributed in a given period of the program. The total Electric Revenue amount for a given period would be forecasted as approximately (a) the expected revenue available from the sale of Electric Credits in that period less (b) the expected administrative costs in that period, less (c) any contingency amount for the period. The resulting value would then be divided by the expected number of qualified applicants in that period to determine the rebate amount offered to Electric Eligible Customers. If there are revenues remaining after all rebates are paid during a period, including any unused contingency amounts, the remaining revenue amount would be carried over into the revenue pool for the subsequent period.[20]

For the purpose of this estimate, in 2020 PG&E assumes [redacted] As discussed above, PG&E [redacted] and incurring approximately $1.69 million in administrative costs for the LCFS program for

[20] Implementation Plan, p.14.

electricity in 2020. For the purpose of this estimate, PG&E does not include any contingency amount in 2020. Therefore, using a price of $173.50 per credit, [redacted] minus $1.6 million in administrative costs in 2020, as described above).

Per changes in the LCFS regulation, PG&E has been actively working with other Electric Distribution Utilities, California Air Resources Board, the Commission and automakers to create a statewide point-of-purchase reward program for new electric vehicles. As such, PG&E anticipates transitioning its current Clean Fuel Rebate program to participation in the statewide program, subject to CPUC approval of Advice Letter 5526-E. PG&E anticipates that the statewide Clean Fuel Reward program will launch in phases starting in Q2 2020. Therefore, in order to ensure that customers have access to either PG&E's rebate program or the statewide Clean Fuel Reward program, PG&E expects the Clean Fuel Rebate program to continue through at least December 2020, allowing for at least two quarters of transition time while the statewide program is launched and made available to customers throughout PG&E territory.

During this transition time both the statewide Clean Fuel Reward program and PG&E's Clean Fuel Rebate program will be available for eligible customers, although, participation will be limited to only one program. PG&E plans to amend its program eligibility criteria and application screening process to identify customers who are eligible to participate in the statewide Clean Fuel Reward program and exclude VINs which have received the Clean Fuel Reward. This will require additional collaboration with the statewide program implementer, increased marketing efforts to provide awareness of the eligibility requirements for the two programs and the sunset date (estimated December 2020) and changes to PG&E application through IT updates.

F. Estimate of Number of Revenue Recipients. *An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.*

As mentioned, PG&E anticipates the Clean Fuel Reward program will start in Q2 2020. A portion of PG&E's available LCFS revenue will be contributed to the startup of the statewide program in 2020 and will not be available to customers via the Clean Fuel Rebate, as well as 67% of revenue generated from residential electric base credits.[22] In addition, any revenue generated from the sale of workplace, forklift, and non-opt in utility credits[23] will not be available to return to customers via PG&E's Clean Fuel Rebate.

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[21] This total includes workplace and forklift revenue which will not be available to return to electric customers via PG&E's Clean Fuel Rebate.
[22] Contribution of 67% of electric base credits will begin upon approval of Advice Letter 5526-E and continue for the duration of the statewide Clean Fuel Reward program.
[23] Starting Q3 2019 ARB began depositing base residential credits of utilities who have not opted-into the LCFS program into IOU accounts. The intent is that all the revenue from these

PG&E estimates that a total of [redacted] will be available to be distributed to electric customers in 2020 [redacted]

For the purpose of this estimate, PG&E assumes that the Clean Fuel Reward program, will begin in Q2 2020. The Clean Fuel Reward will likely be implemented in phases[25], as a result there is potential for the Clean Fuel Reward to only be available in sections of our service territory at a time. PG&E will continue its Clean Fuel Rebate program through December 2020 at a minimum, while the statewide program launches throughout the territory. In order to prevent duplicate incentive payments, PG&E will amend its rebate program eligibility to exclude vehicles which have received the Clean Fuel Reward[26] for the duration of program overlap.

For the purposes of this calculation PG&E assumes the Clean Fuel Rebate will remain at the current amount of $800. PG&E estimates that approximately 70,000 new EV purchases will be made in its territory in 2020 and that the take rate of the Clean Fuel Rebate program will remain at 70%[27]. Based on eligibility to participate in PG&E rebate program[28] PG&E expects [redacted] Following the launch of the statewide program, PG&E estimates [redacted] to new eligible EV owners[29] for the remainder of 2020.

Based on EV registration data and historic Clean Fuel Rebate program data, an estimated 195,000 EVs purchased since 2010 have not received a Clean Fuel Rebate since the program in launched in 2017. PG&E plans to conduct dedicated outreach and marketing efforts to inform EV owners who are eligible for the Clean Fuel Rebate program but have not received yet applied or received their rebate to apply before the program sunsets. PG&E estimates [redacted], totaling 20% of customers that

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credits be contributed to the statewide Clean Fuel Reward program. This change will be documented in upcoming amendments to the LCFS regulation.

[24] Workplace, forklift, and non-opt in utility credits.

[25] PG&E estimates the program will be available 60% of new EV owners in PG&E territory at the time of program launch through coverage in major metro centers.

[26] Customers who purchase their vehicle after the statewide Clean Fuel Reward program launch date in cities where the reward is available will not be eligible for PG&E's Clean Fuel Rebate.

[27] Based on 2019 Clean Fuel Rebate data.

[28] Eligible electric vehicle is purchased prior to the start of the statewide point-of-purchase program

[29] For the purposes of this calculation PG&E assumes that the statewide Clean Fuel Rebate will available to the majority of PG&E territory (60%) at program launch. The remaining 40% of EVs purchased in Q3-Q4 2020 would be eligible for PG&E's Clean Fuel Rebate program.

have purchased or leased an EV but have not received a Clean Fuel Rebate from PG&E. This would bring the estimated total of CFR rebates paid in 2020 to [redacted] [30]

III. 2020 NATURAL GAS ESTIMATE

A. Credit Estimate. *An estimate of the number of credits the utility expects to be generated for the following year.*

PG&E filed Advice Letter 3961-G and received approval in June 2018 to scope out a voluntary renewable natural gas pilot. The scope of this 3-year pilot is to procure renewable natural gas and replace 100% of the CNG dispensed at PG&E's natural gas stations for internal and external fleet use. PG&E anticipates a contract will be executed with the RNG provider in October 2019. Per this pending contract, PG&E will provide the vendor with meter reads of natural gas dispensed at PG&E owned stations and the vendor will report volumes on a quarterly basis to ARB to receive LCFS NG credits. In return, PG&E will receive revenue from the vendor which will be returned to fleet customers as in previous years, minus any administrative costs incurred by PG&E.

The volume of dispensed NG is expected to decrease slightly in 2020 compared to the total dispensed in 2019. PG&E estimates a total of [redacted] NG base credits will be generated by the RNG vendor in 2020. As laid out on the current Contract proposal, the RNG vendor is responsible for reporting, receiving credits, and monetizing those credits and PG&E stands to receive 100% of the revenue from the sale of gas base credits.

B. Revenue Estimate. *An estimate of the amount of revenue the utility expects to receive from the sale of those credits.*

In 2020, PG&E [redacted] At a credit price of $173.5, [redacted]

PG&E estimates that at a credit price of $173.5 the RNG vendor will generate approximately [redacted] for the sale of the estimated [redacted] Gas base credits it will monetize in 2020, which includes credits generated in Q4 2019 through Q3 2020. This

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[30] PG&E estimates it will pay [redacted] PG&E could pay a total of [redacted] (not including administrative costs.)

[redacted]

These credits will not be sold in 2019. These credits are for CNG dispensed fuel, not RNG. Q3 will be the last quarter PG&E reports CNG usage prior to the RNG pilot start date.

[32] For the purpose of the estimates provided in this filing, broker commission amounts, if any, are considered to be de minimis relative to the price of LCFS credits. As such, PG&E's expectation of revenues from the sale of LCFS credits as presented here is net of broker commissions.

revenue will be transferred to PG&E which will then be used in the approved revenue return mechanism, a bill credit to PG&E fleet customers utilizing PG&E CNG stations.

The total estimated revenue for base NG credits to be received in 2020 is [redacted] from Q4 2019 through Q3 2020 by the RNG provider. This will be available to return to customers via an on-bill credit in 2021.

C. Balancing Account Estimate as of January 1, 2020. *An estimate of the balance that will be in the utility's balancing account on January 1 of the following year.*

PG&E's March 18, 2015 AL 3575-G/4604-E created LCFS subaccounts for electricity and natural gas in its existing Greenhouse Gas Revenue Balancing Account (GHGRBA) and Gas Programs Balancing Account (GPBA), respectively, to track and record the proceeds from the sale of LCFS credits, any approved program costs, and the LCFS revenues returned to customers.

For the purpose of this estimate, the balance in the LCFS subaccount in PG&E's GPBA on January 1, 2020 is calculated as the balance in the account at the end of August 2019, plus additional revenue from the sale of credits through 2019, less administrative costs, less any contingency amount, less any revenue distributed to customers in 2019.

[redacted] PG&E estimates it will incur and additional $20,000 in estimated administrative costs through 2019.

In addition, [redacted][33] At the price of $173.5, [redacted]

In 2019, [redacted] for credits generated from Q4 2017 through Q3 2018 and sold in 2018.

PG&E estimates [redacted]

[33] CNG Credits generated in Q2 2019 received Q3 2019.

[34] This revenue was generated from the sale of credits generated in 2017 and 2018 for CNG usage.

D. Administrative Cost Estimate. *An estimate of the cost of administering the Low Carbon Fuel Standard credit program in the following year, including customer outreach expenses.*

The costs of administering the LCFS credit program include the following categories – marketing and customer outreach, development and maintenance of supporting IT systems, and ongoing labor for program management and credit sales.[35] A brief description of each activity is provided:

- Marketing. Outreach to PG&E's current CNG fuel account holders, via direct mail and PG&E's website, to inform them about PG&E's LCFS rebate program for natural gas.
- IT Systems. Development and maintenance of IT systems that support the calculation of individual customers' gas rebate amounts and place those rebates on customers' bills, as well any enhancements required for data verification to ARB.
- Program Management. Personnel to manage PG&E's LCFS program, including LCFS reporting to ARB for credit generation in Q1 2020, the implementation of the revenue return program in Q2 2020, and verification of revenue received from the RNG vendor starting in Q2 2020.
- Credit Sales. Personnel to implement PG&E's sale of Gas Credits during Q1 2020.

For the purpose of this estimate, PG&E provides the following estimated administrative costs for the natural gas portion of the LCFS program:

Table 2 – 2020 Natural Gas Administrative Costs

Item	Fixed Cost	Variable Cost	Total Cost
Marketing and Customer Outreach	$1,500	$0	$1,500
IT Systems	$900	$37,000	$37,900
Program Management	$31,500	$0	$31,500
Credit Sales	$4,000	$0	$4,000
TOTALS	$37,900	$37,000	$74,900

[35] Since customers do not need to apply for the natural gas LCFS rebate, call center costs are expected to be de minimis for the natural gas LCFS revenue return program.

> **E. Revenue to be Distributed to Customers.** *An estimate of the amount of revenue that will be distributed to customers in the following year.*

In its Implementation Plan, PG&E described its proposed method for calculating the amount of revenue that will be distributed to customers:

> To calculate the amount of revenue to be distributed to each Gas Recipient, PG&E plans to take the total amount of Gas Revenue determined to be distributed for a given Rebate Period and divide it pro rata among each Gas Recipient based on each customer's total CNG fuel consumption during the Rebate Period.[36]

For the purpose of this estimate, PG&E assumes that the revenue returned to customers in 2020 will be the total available in the LCFS Gas balancing account on January 1, 2020. This includes the total revenue generated for credits sold from Q1 – Q4 2019, minus administrative costs incurred in 2019. [redacted]

> **F. Estimate of Number of Revenue Recipients.** *An estimate of the number of drivers to whom credits will be distributed and the value that will be distributed to each driver.*

In Q2 2020, PG&E will distribute rebates to each of its currently active CNG fueling accounts based on their percentage of consumption for the period of January 2019 through December 2019.

In 2019, PG&E expects to return [redacted] to a total of approximately 875 customers. The revenue return in 2019 is higher than the revenue return estimate for 2020 due to a decrease in NG consumption over time resulting in a gradual decrease in credits generated and because the 2019 revenue return total includes an additional quarter of sales (Q4 2017 through Q4 2018) compared to the revenue return in 2020 which will only include sales from Q1 2019 through Q4 2019.

In 2018, the rebate was returned to 999 customers. PG&E estimates that there continue to be fewer active CNG accounts at the time of the rebate disbursement in 2020, approximately 800.

For the time period of Q3 2018 – Q4 2019, PG&E's public fueling accounts consumed (in the aggregate) approximately 97% of the CNG fuel PG&E reported for LCFS credits and PG&E fleet fueling accounts have consumed the remaining approximately 3%.

Applying these percentages to the 2020 available rebate revenue suggests that approximately [redacted] or 97% [redacted] total revenue return will be returned to approximately 770 public customer accounts with the majority of bill

[36] Implementation Plan, p.23.

credits totaling less than [redacted] each and approximately [redacted] to approximately 30 PG&E fleet accounts in 2020 with most rebates totaling less than [redacted] each[37].

[37] 2020 CNG rebate estimates are based on 2019 disbursement.

PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T
Albion Power Company
Alcantar & Kahl LLP

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
P.C. CalCom Solar
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
County of Tehama - Department of Public Works
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
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Engineers and Scientists of California
Evaluation + Strategy for Social Innovation
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Charge Networks
Green Power Institute
Hanna & Morton
ICF
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc. Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy
Praxair

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions

SCE
SDG&E and SoCalGas

SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Utilities
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists

Verizon
Water and Energy Consulting Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy