

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



March 11, 2020

Advice Letter 4207-G/5742-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: Advice Letter Summarizing PG&E's 2020 Energy Efficiency Budget Recovery Request for San Francisco Bay Area Regional Energy Network, Tri-County Regional Energy Network, and Marin Clean Energy in Compliance with the Requirements of the Non-Standard Disposition of PG&E's 2020 Energy Efficiency Annual Budget Advice Letter.

Dear Mr. Jacobson:

Advice Letter 4207-G/5742-E is effective as of January 23, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

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

January 23, 2020

Advice 4207-G/5742-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Advice Letter Summarizing PG&E's 2020 Energy Efficiency Budget Recovery Request for San Francisco Bay Area Regional Energy Network, Tri-County Regional Energy Network, and Marin Clean Energy in Compliance with the Requirements of the Non-Standard Disposition of PG&E's 2020 Energy Efficiency Annual Budget Advice Letter.

I. Purpose and Background

On December 24, 2019, the California Public Utilities Commission (CPUC or Commission) issued a non-standard disposition for Pacific Gas and Electric Company's (PG&E's) Tier 2 2020 Energy Efficiency (EE) Annual Budget Advice Letter (2020 ABAL),¹ which was submitted in compliance with the *Decision Re Energy Efficiency Goals for 2016 and Beyond and Energy Efficiency Rolling Portfolio Mechanics*, the "Rolling Portfolio Decision" (Decision (D.)15-10-028),² and the *Decision Addressing Energy Efficiency Business Plans* (D.18-05-041).³ The non-standard disposition (a) approved \$224,414,257 of EE budget to be recovered in rates and (b) directed PG&E to submit a Tier 1 advice letter 30 days after the issuance of the disposition to align the budget recovery amounts for San Francisco Bay Area Regional Energy Network (BayREN), Tri-County Regional Energy Network (3C-REN), and Marin Clean Energy (MCE) with the approved recovery budgets specified in the non-standard dispositions of their respective 2020 ABALs.⁴

PG&E requests that the Commission approve the cost recovery amounts for BayREN, 3C-REN, and MCE totaling \$27,945,209, which includes additional cost recovery funds to cover the CPUC Evaluation, Measurement, and Verification (EM&V) costs for the RENs

¹ Advice 4136-G/5627-E, submitted on September 3, 2019, and Advice 4136-G-A/5627-E-B, submitted on November 15, 2019.

² D.15-10-028, Ordering Paragraph (OP) 4.

³ D.18-05-041, OP 41-47.

⁴ Non-standard dispositions to BayREN Advice 12-E, 3C-REN Advice 4-E/3-G, MCE Advice 37-E, issued on December 23, 2019.

and MCE that were not specified in their respective ABALs or accompanying dispositions.⁵ Because PG&E's 2020 ABAL was formally rejected,⁶ PG&E furthermore confirms that it will implement the following components of its 2020 ABAL: the 2020 forecasted electric and gas split of 70%/30%, the 2020 loan pool budget of \$13,500,000, and the Integrated Demand Side Management budget of \$7,771,000 for its Demand Response program.⁷

III. Discussion

A. 2020 EE Budget Recovery Request for BayREN, 3C-REN, and MCE

The Commission issued non-standard dispositions on December 23, 2019 approving the EE budget recovery requests for BayREN, 3C-REN, and MCE in the amounts shown in Table 1 below. The budgets requested for recovery through PG&E rates include the disposition-approved amounts in addition to CPUC EM&V budget for each PA, totaling \$27,945,209 for BayREN, 3C-REN, and MCE.

Table 2 shows the total EE budget for PG&E, BayREN, 3C-REN, and MCE to be recovered through PG&E rates. The EE budget recovery total for PG&E does not include Revenue Fees and Uncollectible Account Expenses (RF&U) but will be added to electric funding to determine the revenue requirement when recovered in rates through the Annual Electric True-up (AET). The EE cost recovery budget shown in Table 2 includes the benefits burden allocated to the EE program for 2019 determined in PG&E's 2017 General Rate Case (GRC) pursuant to D.17-05-013. Upon approval of PG&E's 2020 GRC, the benefits burden included in the cost recovery budget will be superseded by the 2020 benefits burden allocated to the EE program.

⁵ D.16-08-019 Ordering Paragraph (OP) 15 states "the budget for evaluation, measurement, and verification activities shall remain at four percent of the total portfolio budget." The EE budget recovery amounts for BayREN, 3C-REN, and MCE approved in their respective 2020 ABAL dispositions include program administrator (PA) EM&V budgets that comprise less than four percent of the total portfolio budget and exclude CPUC EM&V budget. PG&E is including CPUC EM&V budget for the RENs and MCE in the total budget recovery request in this advice letter, such that each PA's total EM&V budget equals four percent of the total PA EE portfolio budget.

⁶ Non-standard disposition to Advice 4136-G-A/5627-E-A, issued on December 24, 2019, p.1.

⁷ Advice 4136-G-A/5627-E-A, pp.2, 6, 20-22.

Table 1: 2020 EE Budget Recovery Requests for BayREN, 3C-REN, and MCE

PA	Total PA EE Budget without EM&V [A]	EM&V PA Portion [B]	PA Uncommitted and Unspent Carryover Balance [C]	Total EE Budget Recovery Amount Approved through Non-Standard Disposition ^[4] [D] = [A] + [B] - [C]	Calculated CPUC EM&V Portion ^[5] [E] = ([A] / 0.96) * 0.04 - [B]	Total EE Budget Requested for Rate Recovery through PG&E Rates ^[6] [F] = [D] + [E]
BayREN ^[1]	\$22,782,015	\$271,135	\$1,200,000	\$21,853,150	\$678,116	\$22,531,266
MCE ^[2]	\$6,799,724	\$108,796	\$3,338,700	\$3,569,819 ^[7]	\$174,526	\$3,744,345
3C-REN ^[3]	\$2,855,756	\$32,686	\$1,305,147	\$1,583,294 ^[8]	\$86,304	\$1,669,598
Total						\$27,945,209

[1] BayREN total budget without EM&V and EM&V PA portion taken from BayREN Advice 12-E for 2020 EE ABAL, Table 1.

[2] MCE total budget without EM&V and EM&V PA portion taken from MCE Advice 37-E for 2020 EE ABAL, Table 7.

[3] 3C-REN total budget without EM&V and EM&V PA portion taken from 3C-REN Advice 4-E/3-G for 2020 EE ABAL, Table 2, assuming PG&E's budget portion is 45.6%.

[4] Total approved EE budget recovery amount taken from non-standard dispositions issued December 23, 2019 for BayREN, 3C-REN, and MCE 2020 EE ABALs.

[5] The EM&V total amount (sum of CPUC and PA portions) is assumed to be 4% of the PA's total budget with EM&V, per D.16-08-019 OP 15. For BayREN, MCE, and 3C-REN, the EM&V CPUC portion was calculated by subtracting the PA's portion from the EM&V total.

[6] The EE total budget requested for rate recovery through PG&E rates includes budget for CPUC EM&V for each PA.

[7] The total budget recovery amount approved through the non-standard disposition of MCE's 2020 ABAL totaled \$3,569,819, in alignment with the cost recovery request in MCE's 2020 ABAL Table 8. The calculation of the total budget recovery amount approved through non-standard disposition using rounded numbers shown in this table results in a total budget of \$3,569,820 for MCE, however PG&E used the amount approved in MCE's ABAL disposition prior to rounding (\$3,569,819) for calculation of MCE's final budget request including CPUC EM&V budget.

[8] The calculation of the total budget recovery amount approved through non-standard disposition using rounded numbers for 3C-REN shown in this table results in a total budget of \$1,583,295 for 3C-REN (based on the assumption that PG&E's portion of 3C-REN's budget is 45.6%), however PG&E is using the amount approved in 3C-REN's ABAL disposition prior to rounding (\$3,472,136 total, or \$1,583,294 just for PG&E's portion) as the basis for its calculation of 3C-REN's final budget request including CPUC EM&V budget, assuming PG&E's budget portion of 45.6%.

Table 2: Summary of Total 2020 EE Budget Recovery Request

PA	Total EE Budget for Rate Recovery through PG&E Rates
PG&E ^[1]	\$224,414,257
BayREN	\$22,531,266
MCE	\$3,744,345
3C-REN	\$1,669,598
Total	\$252,359,466

[1] PG&E's EE budget recovery approved via non-standard disposition of PG&E's 2020 EE ABAL, p.1. Revenue Fees and Uncollectible Account Expenses (RF&U) are not included in this cost recovery budget but will be added to electric funding to determine the revenue requirement when recovered in rates through the Annual Electric True-up (AET). The cost recovery budget shown in this table includes the benefits burden allocated to the EE program for 2019 determined in PG&E's 2017 GRC pursuant to D.17-05-013. Upon approval of PG&E's 2020 GRC, the benefits burden included in the cost recovery budget will be superseded by the 2020 benefits burden allocated to the EE program.

B. Electric and Gas Split for Budget Recovery

PG&E will apply a 70% electric / 30% gas split for allocation of PG&E's 2020 EE budget recovery amounts through electric and gas rates, based on total forecasted 2020 EE benefits, as requested in PG&E's 2020 ABAL.⁸

C. Integrated Demand Side Management (IDSM) Budget for Demand Response (DR)

PG&E is confirming approval of a \$7,771,000 IDSM budget for its DR program in this Tier 1 advice letter, as requested in PG&E's 2020 ABAL.⁹ This DR IDSM budget request is separate from PG&E's EE budget request.

D. EE Loan Pool Budget for 2020

PG&E's total 2020 EE spending budget was approved in the non-standard disposition rejecting its 2020 ABAL.¹⁰ PG&E's total 2020 EE spending budget included a loan pool budget request of \$13,500,000,¹¹ therefore PG&E is confirming approval of this 2020 loan pool budget in this Tier 1 advice letter.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than February 12, 2020, which is 20 days after the date of this filing. 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.

⁸ Advice 4136-G-A/5627-E-A, pp.2, 20, 22.

⁹ Ibid, pp.20-21.

¹⁰ Non-standard disposition to Advice 4136-G-A/5627-E-A, issued on December 24, 2019, p.1.

¹¹ Ibid, p.6.

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).

Effective Date

PG&E requests this Tier 1 advice letter be effective immediately pending a disposition, per General Order 96-B, which is January 23, 2020.

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 lists for R.13-11-005, A.17-01-013 et al. 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: Peter Franzese, Energy Division
Service List R.13-11-005
Service List A.17-01-013 et al.



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: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 4207-G/5742-E

Tier Designation: 1

Subject of AL: Advice Letter Summarizing PG&E's 2020 Energy Efficiency Budget Recovery Request for San Francisco Bay Area Regional Energy Network, Tri-County Regional Energy Network, and Marin Clean Energy in Compliance with the Requirements of the Non-Standard Disposition of PG&E's 2020 Energy Efficiency

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 #:

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:

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: 1/23/20

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

Protests and 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:

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

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	IGS Energy	San Francisco Water Power and Sewer
California Energy Commission	International Power Technology	Seattle City Light
California Public Utilities Commission	Intestate Gas Services, Inc.	Sempra Utilities
California State Association of Counties	Kelly Group	Southern California Edison Company
Calpine	Ken Bohn Consulting	Southern California Gas Company
	Keyes & Fox LLP	Spark Energy
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc. Linde	Sun Light & Power
Casner, Steve	Los Angeles County Integrated	Sunshine Design
Cenergy Power	Waste Management Task Force	Tecogen, Inc.
Center for Biological Diversity	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners
	MRW & Associates	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	Manatt Phelps Phillips	
City of Palo Alto	Marin Energy Authority	TransCanada
	McKenzie & Associates	Troutman Sanders LLP
City of San Jose	Modesto Irrigation District	Utility Cost Management
Clean Power Research	Morgan Stanley	Utility Power Solutions
Coast Economic Consulting	NLine Energy, Inc.	Utility Specialists
Commercial Energy	NRG Solar	
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	Verizon
Crossborder Energy	OnGrid Solar	Water and Energy Consulting Wellhead Electric Company
Crown Road Energy, LLC	Pacific Gas and Electric Company	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	Peninsula Clean Energy	Yep Energy
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		