STATE OF CALIFORNIA **GAVIN NEWSOM,** *Governor*

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

Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4319G/5965E
As of December 24, 2020

Subject: Pacific Gas and Electric Company's 2021 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Division Assigned: Energy

Date Filed: 09-30-2020

Date to Calendar: 10-02-2020

Authorizing Documents: D1412083

Disposition:	**Accepted**
Effective Date:	**10-30-2020**

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo
(415)973-4587
PGETariffs@pge.com

STATE OF CALIFORNIA **GAVIN NEWSOM,** *Governor*

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Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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, 2020

Advice 4319-G/5965-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

<u>Subject:</u> **Pacific Gas and Electric Company's 2021 Annual Low Carbon Fuel Standard Credit and Revenue Estimate**

I. 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 2021 Annual Low Carbon Fuel Standard (LCFS) Credit and Revenue Estimate (2021 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.

II. Background

Under the California Air Resources Board's (CARB) 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 CARB'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

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[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.

set forth in D.14-05-021[9] and required the IOUs to submit a Tier 2 AL containing an Implementation Plan describing the IOUs' plans for the sale of LCFS credits and return of revenue in accordance with the AL submittal 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 filed 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.

III. Annual Forecast

PG&E's annual forecast of LCFS program and financial data for 2021 is provided in CONFIDENTIAL Attachment A of this submittal.

IV. Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 20, 2020, which is 20 days 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

[9] D.14-12-083, p. 32.
[10] D.14-12-083, Ordering Paragraphs 2, 3.
[11] D.14-05-021, Ordering Paragraphs 1, 6.

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.

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).

V. 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 submittal for which PG&E requests confidential treatment and the justification for protecting the confidentiality of the information is provided in Public Attachment B.

VI. Tier Designation

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

VII. Effective Date

PG&E requests that this Tier 2 advice submittal become effective upon October 30, 2020, which is 30 calendar days from the submittal date.

VIII. 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

Attachments

Attachment A: Pacific Gas and Electric Company's 2021 Annual Low Carbon Fuel Standard Credit and Revenue Estimate

Attachment B: Declaration Supporting Confidential Designation on Behalf of Pacific Gas and Electric Company Pursuant to D.16-08-024

cc: Service List R.11-03-012

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) #: 4319-G/5965-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's 2021 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: See Confidentiality Declaration and Matrix
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: Lydia Krefta, (415)223-9955, L1KE@pge.com

Resolution required? ☐ Yes ☑ No

Requested effective date: 10/30/20

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 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

ATTACHMENT A

PACIFIC GAS AND ELECTRIC COMPANY'S 2021 ANNUAL LOW CARBON FUEL STANDARD CREDIT AND REVENUE ESTIMATE

PACIFIC GAS AND ELECTRIC COMPANY'S 2021 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 2021 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, 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 2021 Annual Estimate.

2021 represents a unique transition year. The statewide point-of-purchase California Clean Fuel Reward (CCFR) program is expected to launch in Q4 2020, and PG&E will therefore begin to wind down its Clean Fuel Rebate program at the same time. Customers will have until December 31, 2020 to submit rebate applications. PG&E will complete application processing in Q1 before completely closing out the program before the end of Q2 2021. Details of this transition and the impact to credit and revenue estimates are outlined throughout Section II.

Meanwhile, pending CPUC guidance on LCFS "holdback" programs in the Transportation Electrification Framework (TEF), PG&E will file proposals for new electric revenue return programs. As these programs have not yet been proposed, PG&E has not included any budget for future programs within this report. Instead, the advice letters proposing new LCFS programs will include a full budget for those incremental efforts.

Finally, there continues to be uncertainty in the 2021 market climate from ongoing COVID-19 impacts. Reduced travel leading to reduced charging and fewer new EV purchases led to a steep decrease in the credits PG&E generated in Q2 2020. PG&E expects to see continued uncertainty and reduced revenue generation as the economy recovers from COVID-19 in 2021. PG&E's assumptions are described in Section II, Part A.

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 (CARB) 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, workplace charging, and PG&E-owned commercial charging from the EV Charge Network (EVCN) program, as well as non-separately metered residential electric vehicle charging and forklift credits.[12] [13]

As mentioned in the introduction, COVID-19 has led to a reduction in credits PG&E generated in 2020, especially from residential customers, where there was roughly a 50% decrease from Q1 2020 to Q2 2020 levels of charging. PG&E workplace charging, while a much smaller portion of total credits, saw one-fifth of the usage in Q2 2020 after most offices closed. PG&E expects those effects to continue into 2021.

PG&E estimates it will generate [redacted] credits during calendar year 2021, based on assumptions about the number of electric vehicles in PG&E's territory, CARB's credit estimation methodology, and the inputs to that methodology.[14] Furthermore, PG&E assumes that it will receive a total of [redacted]

[12] 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.

[13] PG&E began receiving forklift credits in 2017, workplace credits in 2018, and EVCN credits in 2020, totaling [redacted] to date. PG&E began selling forklift and workplace credits in Q2 2019, and EVCN credits in Q1 2020. The revenue generated from the sale of these credits will be held until a revenue distribution program has been determined.

[14] 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 it will generate in 2021 and not the number of credits PG&E will receive in 2021. PG&E uses the following terms for the credit lifecycle: credits are generated the quarter that the usage occurs; credits are reported to CARB one quarter following usage; credits are received early in the quarter following reporting; and credits are sold within the quarter they are received. For the statewide Clean Fuel Reward program, PG&E must transfer the revenue to the program the quarter after credits are received. For example: charging station usage in Q1 generates credits in Q1. Those credits are reported in Q2, received and sold in Q3, and a portion of that revenue is transferred to the statewide Clean Fuel Reward in Q4.

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 $199.00.[16] At this price, the market value of [redacted]

C. Balancing Account Estimate as of January 1, 2021. *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, 2021 is calculated as the balance in the account at the end of August 2020, which includes actual revenue received through August 2020, less actual administrative costs incurred for the same time period, plus estimated additional revenue from the sale of credits through 2020, plus the estimated additional administrative costs to be incurred in the remainder of 2020, less any contingency amount, less revenues transferred to the statewide CCFR program, less actual and estimated revenue distributed to customers in 2020.

PG&E plans to [redacted] before the end of 2020. At a credit price of $199.00, PG&E estimates it will [redacted]

As of August 2020, [redacted]. PG&E expects to [redacted] and incur an additional $418,000 from administrative tasks. [redacted]

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[15] PG&E keeps a credit reserve in case of credit invalidation or other credit adjustments where PG&E would need to return credits to CARB. The reserve contains PG&E holdback funds; however, depending on the nature of the credit adjustment, PG&E would also pass on the adjustment to statewide CCFR transfers. For example, if an adjustment impacted PG&E's residential base credits, then PG&E would calculate 67% of the residential adjustment as the amount that would be reduced from future transfers to the CCFR.

[16] Average LCFS credit price for Q1-Q3 2020 based on CARB's Monthly LCFS Credit Transfer Activity Report for August 2020: https://ww2.arb.ca.gov/sites/default/files/classic//fuels/lcfs/credit/August%202020%20-%20Monthly%20Credit%20Transfer%20Activity.pdf

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

[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 2021 will be approximately $842,280. The costs of administering the LCFS credit program in 2021 include the following categories: marketing and customer outreach, maintenance of supporting IT systems, and ongoing labor for program management, credit sales, processing rebates, and call center operations.

2021 will be a unique year, as PG&E is closing out the Clean Fuel Rebate program. The program will stop accepting applications on December 31, 2020, but will require application processing to clear the queue, IT work to remove the application and update the website, and the call center to answer any questions related to the program sunset into 2021. PG&E estimates that the program will be completed by the end of Q2.

As mentioned in the introduction, PG&E will be scoping a new program using holdback funds, pending CPUC guidance, with a goal to launch in 2021. However, as the program is still in development, the budget for the program has not been determined. It will be included in any forthcoming program proposals and is not included in these estimates.

A brief description of each category of administrative cost is provided:

- <u>Marketing</u>. Outreach to current and potential electric vehicle owners to create awareness of PG&E's EV programs through the use of direct and indirect (third-party) channels, utilizing a variety of tactics including, but not limited to, email, PG&E's website, webinars, and earned and paid digital media. As PG&E sunsets the Clean Fuel Rebate program, Marketing, Education, and Outreach efforts will seek to keep customers engaged and create awareness for other tools and resources including stackable incentives, PG&E EV rates, total cost of ownership, and EV charging. An increasing amount of these efforts will also be devoted to reaching low-income customers, disadvantaged communities (DACs), and other hard-to-reach portions of the population.

- <u>IT Systems</u>. Maintenance of IT systems that support the intake, verification, and processing of customer rebate applications online, and work needed to close the application and update the website after the December 31, 2020 sunset date.

- <u>Program Management.</u> Personnel to manage PG&E's LCFS program, including LCFS reporting to CARB 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. The only applications processed in 2021 will be those submitted before the end of 2020.

- 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 above-average call volume in January due to the sunset of PG&E's CFR program, with volume tapering off over time.

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

Table 1 – 2021 Electric Administrative Costs

Item	Fixed Cost	Variable Cost	Total Cost
Marketing and Customer Outreach	$42,000	$150,280	$192,280
IT Systems	$10,000	$0	$10,000
Program Management	$515,000	$0	$515,000
Credit Sales	$58,000	$0	$58,000
Processing Rebate Applications	$10,000	$44,000	$54,000
Call Center	$5,000	$8,000	$13,000
TOTALS	$640,000	$202,280	$842,280

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

With the sunset of PG&E's Clean Fuel Rebate program, the only revenue that PG&E will directly return to customers in 2021 is from the applications submitted in 2020 that cannot be paid until 2021. PG&E estimates that this will not exceed [redacted]

However, PG&E is contributing 67% of its revenue from residential base credits to the statewide CCFR program on a quarterly basis. PG&E estimates that it will transfer [redacted] in funding to the statewide CCFR in 2021 to be distributed to customers.[18]

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 described above, PG&E will only directly return revenue to PG&E Clean Fuel Rebate applicants still in the queue to be processed at the end of 2020. PG&E estimates this at no more than [redacted]

Most of PG&E's revenue returned to customers will come in the form of the statewide CCFR program, but there are no public estimates on revenue recipients yet. PG&E also plans to return revenue generated from the remaining 33% of residential base credits through future proposals.

PG&E has not yet filed a program to return revenues from workplace and forklift credits.

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 executed a contract with the RNG provider in October 2019. Per this contract, PG&E provides the vendor with meter reads of natural gas dispensed at PG&E owned stations and the vendor reports volumes on a quarterly basis to CARB to receive LCFS NG credits. In return, PG&E receives revenue from the vendor which will be returned to fleet customers as in previous years, minus any administrative costs incurred by PG&E.[19]

The RNG vendor estimates a total of [redacted] credits will be generated for PG&E in 2021. As laid out on the current Contract proposal, the RNG vendor is

[18] This number does not include "non-opt-in" credits, which are generated by small EDUs that have not opted-in to participating in LCFS. Starting in 2019, CARB began estimating the amount of electricity used each quarter and allocating funding to the large IOUs. This funding is essentially a pass-through - 100% of it must be sent to the statewide CCFR program.

[redacted]

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 [redacted].

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

PG&E sold the last of its CNG credits in July 2020. All credits are now generated and sold by the RNG vendor, with the revenue transferred to PG&E.

PG&E estimates that at a credit price of $199.00 PG&E will receive approximately [redacted] in 2021 for the sale of credits generated in Q2 2020 through Q1 2021. [redacted]. This revenue will be transferred to PG&E which will then be used in the approved revenue return mechanism, a bill credit paid out in 2022 to PG&E fleet customers utilizing PG&E CNG stations.

C. Balancing Account Estimate as of January 1, 2021. *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, 2021 is calculated as the balance in the account at the end of August 2020, plus additional revenue from the sale of credits from the RNG vendor through 2020, less administrative costs, less any contingency amount, less any revenue distributed to customers in 2020.

[redacted] PG&E estimates it will incur an additional $8,000 in estimated administrative costs through 2020.

In addition, [redacted] In Q4 2020, [redacted] for credits generated from Q3 2018 through Q2 2019 and sold in 2019.

PG&E estimates [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.*

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.[20] 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 CARB.

- Program Management. Personnel to manage PG&E's LCFS program, including the implementation of the revenue return program in Q2 2020 and verification of revenue received from the RNG vendor.

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 – 2021 Natural Gas Administrative Costs

Item	Fixed Cost	Variable Cost	Total Cost
Marketing and Customer Outreach	$1,500	$0	$1,500
IT Systems	$900	$1,500	$2,400
Program Management	$31,500	$0	$31,500
TOTALS	$33,900	$1,500	$35,400

[20] 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.[21]

For the purpose of this estimate, PG&E assumes that the revenue returned to customers in 2021 will be the total available in the LCFS Gas balancing account on January 1, 2021. This includes the total revenue generated for credits transferred to PG&E from Q1 – Q4 2020, minus administrative costs incurred in 2020. [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 2021, 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 2020 through December 2020. PG&E expects to return [redacted] to a total of approximately 820 customers in 2021 for 2020 usage. This is similar to the [redacted] return that will be returned to customers in Q4 2020 for 2019 usage. While COVID-19 decreased usage starting in Q2 2020, this was offset by increased LCFS and RIN credit revenue from using RNG instead of CNG.

In 2019, the rebate was returned to 999 customers. PG&E estimates that there will be fewer active public CNG accounts at the time of the rebate disbursement in 2020, approximately 790, and in 2021, 750 or fewer.

PG&E's public fueling accounts consume (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 2021 available rebate revenue suggests that approximately [redacted] or 97% [redacted] total revenue return will be returned to approximately 790 public customer accounts and approximately [redacted] approximately 30 PG&E fleet accounts in 2021.

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[21] Implementation Plan, p.23.

ATTACHMENT B

DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION ON BEHALF OF PACIFIC GAS AND ELECTRIC COMPANY PURSUANT TO D.16-08-024

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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

1. I, Lydia Krefta, am the Manager of Clean Energy Transportation Regulatory Compliance and Pilots of Pacific Gas and Electric Company ("PG&E"), a California corporation. Maril Wright, the Senior Director 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 4319-G/5965-E, Pacific Gas and Electric Company's 2021 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[INCLUDE IF ADDITIONAL DETAILS

NECESSARY TO IDENTIFY LOCATION OF CONFIDENTIAL INFORMATION: , 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 1-9 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 29th day of September, 2020 at San Francisco, California.

Lydia Krefta_____________
Lydia Krefta
Manager, Clean Energy Transportation
Pacific Gas and Electric Company

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.
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
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
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
ICF
IGS Energy
International Power Technology
Intestate Gas Services, Inc.
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
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

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

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
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
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