

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



Pacific Gas & Electric Company
GAS (Corp ID 39)
Status of Advice Letter 4580G
As of March 10, 2022

Subject: Revision of PG&E's Natural Gas 2022 Climate Credit Amount Pursuant to Decision (D.) 22-02-025.

Division Assigned: Energy

Date Filed: 03-01-2022

Date to Calendar: 03-04-2022

Authorizing Documents: D2202025

Disposition:	Accepted
Effective Date:	03-01-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

PGETariffs@pge.com

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



Sidney Bob Dietz II
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

March 1, 2022

Advice 4580-G

(Pacific Gas and Electric Company U 39 G)

Public Utilities Commission of the State of California

Subject: Revision of PG&E's Natural Gas 2022 Climate Credit Amount Pursuant to Decision (D.) 22-02-025.

Purpose

Pursuant to (D.) 22-02-025 ("Decision") *Implementing Senate Bill (SB) 1440* Ordering Paragraph ("OP") 44 and 45, Pacific Gas and Electric Company ("PG&E"), submits this Tier 1 Advice Letter to reflect PG&E's Cap and Trade Allowance Auction proceeds set aside to fund at least one woody biomass gasification pilot project focused on conversion of woody biomass to biomethane.

Background

On March 22, 2018, the California Public Utilities Commission ("CPUC" or "Commission") approved final decision D. 18-03-017 modifying D. 15-10-032 under Rulemaking 14-03-003. By this decision the Commission distributed GHG allowance proceeds solely to residential customers of the natural gas utilities. In addition, the Commission ordered that the residential natural gas California Climate Credit must be distributed in April of each year. GHG compliance costs were included in rates beginning July of 2018.

On December 23, 2021 PG&E filed advice 4543-G (Tier 1), effective January 1, 2022, which included a 2022 forecast of greenhouse gas compliance and operational costs total \$367.8 million, including RF&U. The forecasted 2022 GHG proceeds of \$261.9 million, including RF&U, were to be distributed to residential customers on their April 2022 bills. In compliance with Resolution G-3565, PG&E reduced the GHG Proceeds by \$21.2 million to fund the BUILD and TECH programs as required by Senate Bill 1477. Additionally, PG&E reduced the GHG proceeds by \$8.5 million to fund Renewable Natural Gas Incentives (RNG) as required by D.20-12-031. PG&E included Tables A-E as required by D.15-10-032 and D.18-03-017 in its AGT filing.

On February 24, 2022, the Commission approved the Decision. OP 44 and OP 45 of the Decision states:

OP 44: Southern California Gas Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southwest Gas Corporation shall within 15 days of the effective date of this decision, each of Southern California Gas Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southwest Gas Corporation (collectively, Joint Utilities) shall file a Tier 1 Advice Letter revising their natural gas 2022 Climate Credit amount to reflect the reduction mandated by this decision. The Joint Utilities' advice letter filings shall modify the table format established by Decision (D.) 15-10-032 (i.e., Table C of Appendix A of that decision, subsequently modified by D.20-03-027 and then D.20-12-031) to include below line 9c a new subaccount line numbered 9d and titled "Bio-SNG Pilot Costs." This line shall record each gas utility's share of the one-time \$40 million set-aside, as established by this decision as follows:

- SoCalGas: \$19,704,000 (49.26 percent of \$40 million)
- PG&E: \$16,936,000.00 (42.34 percent of \$40 million)
- SDG&E: \$2,708,000 (6.77 percent of \$40 million)
- SWG: \$652,000 (1.63 percent of \$40 million)

OP 45. Line 10 of Table C of Appendix A of Decision (D.) 15-10-032 shall also be modified to equal the Subtotal Allowance Proceeds minus Outreach and Admin Expenses minus Senate Bill 1477 Compliance Costs minus Renewable Natural Gas Incentive Costs minus Bio-SNG Costs. To reflect this change, the Joint Utilities shall further modify the template for Table C by changing the description of Line 10 of Table C of Appendix A of D.15-10-032 to "Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9 + Line 9b + Line 9c + Line 9d)." This revised table format shall be used in all applicable future filings seeking approval of the natural gas Climate Credit amount for each of the Joint Utilities until or unless the Commission decides otherwise "

Pursuant to D.22-02-025, utilizing a modified format of the table established in D.15-10-032,¹ PG&E includes as Attachment 1 an updated calculation of the amount of GHG allowance proceeds to be returned to customers after accounting for PG&E's share of funding obligations identified in OP 43 of D.22-02-025.² Consistent with OP 44 of D.22-

¹ D.15-10-032, Appendix A, Table C, subsequently modified by D.20-03-027 and then D.20-12-031. D.22-02-025, OP 44 further revises the table to include a new subaccount line numbered 9d and titled "Bio-SNG Pilot Costs" to record each gas utility's share of the one-time \$40 million set-aside.

² See D.22-02-025, at OP 43, PG&E and Southern California Gas Company shall each file an application no later than July 1, 2023, proposing at least one woody biomass gasification project focused on conversion of woody biomass to biomethane. The utilities shall set aside \$40 million from their 2022 Cap-and-Trade Program allowance auction proceeds to fund these pilot projects.

02-025, and as further detailed below, PG&E sets aside 42.34% share of \$40 million, or \$16,936,000, from their Cap-and-Trade allowance auction proceeds to fund these obligations.

As shown in Attachment 1, PG&E's 2022 Net GHG Proceeds Available for Customer Returns is \$244.6 million which, when spread over 5,113,609 million residential households, results in a 2022 Resident Annual Credit of \$47.83. PG&E's residential tariffs³ which include the Greenhouse Gas California Climate Credit will be updated with the April Monthly Procurement Advice Letter to be filed on March 25, 2022.

Tariff Revisions

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

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **March 21, 2022**, which is 20 days after the date of this submittal. Protests must be submitted to:

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

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

³ G-1, G1-NGV, GM, GS, GT, G-1L, G1L-NGV, GML, GSL, and GTL.

Effective Date

PG&E requests that this Tier 1 advice letter become effective upon date of filing, which is **March 1, 2022**.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for **R.13-02-008**. 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/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

Attachment 1: Table C: GHG Allowance Proceeds (Public Version)
Attachment 2: Confidentiality Declaration

cc:

Service List R.13-02-008
Andrew Ngo, Energy Division (Public and Confidential Versions)
Adam Banasiak, Energy Division (Public and Confidential Versions)



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 G)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4580-G

Tier Designation: 1

Subject of AL: Revision of PG&E's Natural Gas 2022 Climate Credit Amount Pursuant to Decision (D.) 22-02-025.

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.22-02-025

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information: See Confidential 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: Robert Gomez, RSGa@pge.com.

Resolution required? Yes No

Requested effective date: 3/1/22

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

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

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

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

Contact Name:
Title:
Utility/Entity Name:

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

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

Clear Form

Attachment 1

Table C: GHG Allowance Proceeds (Public Version)

Table C: GHG Allowance Proceeds

Line	Description	2018		2019		2020		2021		2022	
		Forecast	Recorded	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast
1	Proxy GHG Allowance Price (\$/MT)	\$ 15.55		\$ 16.33		\$ 17.78		\$ 17.96		\$ 26.58	
2	Directly Allocated Allowances	17,778,400		17,398,006		17,037,633		16,356,929		15,676,224	
3	Percentage Consigned to Auction	40%		45%		50%		55%		60%	
4	Consigned Allowances	7,111,360		7,829,103		8,518,816		8,996,310		9,405,734	
5	Allowance Proceeds (See Note 1)	\$ (110,581,648)	\$ (105,994,821)	\$ (127,849,247)	\$ (131,802,931)	\$ (151,471,364)	\$ (145,160,625)	\$ (161,573,728)	\$ (198,278,669)	\$ (250,004,420)	
6	Previous Year's Revenue Balancing Subaccount Balance			\$ 142,668		\$ (6,251,649)		\$ 16,328,166		\$ (38,167,535)	
7	Interest*		\$ (3,275,532)		\$ 552,135		\$ 63,922		\$ 15,463		
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (110,581,648)	\$ (109,270,353)	\$ (127,706,579)	\$ (131,250,796)	\$ (157,723,013)	\$ (145,096,703)	\$ (145,245,562)	\$ (198,263,207)	\$ (288,171,955)	
9	Outreach and Admin Expenses (\$)* (from Table D)	\$ 1,152,303	\$ 880,264	\$ 575,270	\$ 269,295	\$ 536,977	\$ 227,421	\$ 322,372	\$ 86,911	\$ 203,896	
9a	Revenue Fees & Uncollectibles	\$ (1,467,557)	\$ (1,453,619)	\$ (1,699,746)	\$ (1,751,223)	\$ (1,818,534)	\$ (1,512,338)	\$ (1,654,580)	\$ (2,366,574)	\$ (3,215,369)	
9b	SB 1477 Compliance Costs					\$ 21,170,000	\$ 31,755,000	\$ 21,170,000	\$ 21,170,000	\$ 21,170,000	
9c	RNG Incentive Costs									\$ 8,468,000	
9d	Bio-SNG Pilot Costs									\$ 16,936,000	
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9 + Line9a + Line9b+ Line9c + Line9d)	\$ (110,896,902)	\$ (109,843,708)	\$ (128,831,055)	\$ (132,732,724)	\$ (137,834,570)	\$ (114,626,620)	\$ (125,407,770)	\$ (179,372,870)	\$ (244,609,428)	
11	2015-2017 Net of Costs and Proceeds included in October 2018 Customer Credit (including RF&U)		\$ (38,395,768)								
12	Number of Residential Households			5,061,931		5,070,453		5,094,698		5,113,609	
13	Per Household California Climate Credit (\$) (Line 10 / Line 11)			\$ (25.45)		\$ (27.18)		\$ (24.62)		\$ (47.83)	

NOTES

1 Year 2021 Recorded: Represents the allowances proceeds in 2021 through 9/30/21 and forecast proceeds based on remaining expected consigned allowances multiplied by the proxy price of vintage 2021 California Carbon Allowance Future.

* As proposed to Energy Division through Advice Letter 4511-G, PG&E has credited the amount of \$37,927 to 2021's Program Management expenses of \$34,854. The 2020 labor amount of \$37,927 was associated with the administration of "covered entity exemptions" that CARB staff indicated to PG&E was ineligible for recovery of GHG Allowance Proceeds. A debit adjustment of \$37,927 has been recorded to the Greenhouse Gas Compliance Cost Subaccount, Table A line 15.

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

**PACIFIC GAS AND ELECTRIC COMPANY
ORDER INSTITUTING RULEMAKING TO ADDRESS NATURAL GAS
DISTRIBUTION UTILITY COST AND REVENUE ISSUES ASSOCIATED WITH
GREENHOUSE GAS EMISSIONS (R.14-03-003)**

**DECLARATION OF ROBERT GOMEZ
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE 4580-G**

I, Robert Gomez, declare:

1. I am a Manager in the Portfolio Management group within Energy Policy and Procurement at Pacific Gas and Electric Company (PG&E) and am responsible for leading commercial greenhouse gas policy and strategy. In carrying out these responsibilities, I have acquired knowledge of the California Air Resources Board's Cap-and-Trade Regulation and other programmatic measures to establish a market-based price for GHG emissions in order to manage PG&E's compliance with Cap-and-Trade, which became effective on January 1, 2012. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of ARB Confidential and market-sensitive procurement information.
2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, 08-04-023, D.14-10-033 and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in Advice 4580-G.
3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes ARB Confidential and/or confidential market sensitive procurement data and information covered by Public Utilities Code Section 454.5(g), D.14-10-

033, and D.15-10-032. The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on February 28, 2022 at San Francisco, California.



Robert Gomez

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**ORDER INSTITUTING RULEMAKING TO ADDRESS NATURAL GAS DISTRIBUTION UTILITY COST AND REVENUE ISSUES
ASSOCIATED WITH GREENHOUSE GAS EMISSIONS (R.14-03-003)
PG&E ADVICE 4580-G**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
Document:			
Atch 1 – Table C, lines 1-4, and 12-13 - recorded data	<p><i>D.14-10-033, Attachment A</i></p> <p><i>Public Utilities Code §454.5(g)</i></p> <p><i>D.15-10-032</i></p>	<p>Information concerning GHG compliance instrument procurement strategy and/or activities. The release of this commercially sensitive information could cause harm to PG&E’s customers and put PG&E at an unfair business disadvantage by the disclosure of PG&E’s GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings. This information could be used by other market participants to gain a commercial advantage.</p>	Indefinite

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blasing Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

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

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

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
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
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
Uplight
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy