

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



**Pacific Gas & Electric Company**  
**GAS (Corp ID 39)**  
**Status of Advice Letter 4681G/6762E**  
**As of December 19, 2022**

Subject: Advice Letter of Pacific Gas and Electric: Summer Reliability Market Access Program 2023

Division Assigned: Energy

Date Filed: 11-15-2022

Date to Calendar: 11-18-2022

Authorizing Documents: D2112011

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>12-16-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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

AL Certificate Contact Information:

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[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

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



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

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

The AL status certificate indicates:

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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

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

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

November 15, 2022

**Advice 4681-G/6762-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Advice Letter of Pacific Gas and Electric: Summer Reliability Market Access Program 2023****Purpose**

The purpose of this advice letter is to request funding for PG&E's Market Access program (MAP) contracts in 2023 and to address the topics identified by the Commission in Decision (D.) 21-12-011 Ordering Paragraph (OP) 1.

**2023 MAP Budget Request**

PG&E requests Commission approval for an \$18 million budget for program implementation and incentives costs for PG&E's 2023 MAP. PG&E is not requesting additional budget for PG&E's administrator costs for 2023 MAP in this Advice Letter (AL) because the Commission already approved that as part of PG&E's Advice 4572-G/6498-E. PG&E expects to deploy a total 2023 MAP budget of \$20 million, inclusive of implementation, incentives, and administrator costs.

**Background**

On July 30, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency<sup>1</sup> in response to the significant and accelerating impacts of climate change in California. The Proclamation stated, among other things, that the entities responsible for California's electric system—the California Public Utilities Commission (CPUC or Commission), California Independent System Operator, and California Energy Commission—should take actions to meet the purposes and directives of the Proclamation to mitigate the risk of capacity shortages.

In response to the Proclamation, the Administrative Law Judge (ALJ) in Rulemaking 13-11-005 issued an e-mail ruling on August 6, 2021, seeking input from parties on actions

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<sup>1</sup> Proclamation of a State of Emergency, July 30, 2021, *available at*: <https://www.gov.ca.gov/wp-content/uploads/2021/07/Energy-Emergency-Proc-7-30-21.pdf>

that the Commission could take, specific to energy efficiency (EE) and reliability, to respond to the Governor's Proclamation and further the Commission's overall goals.

D.21-12-011, issued by the Commission on December 8, 2021, authorized up to \$185 million in incremental energy efficiency funding for program years 2022 and 2023. The largest allocation was \$150 million, statewide, for a new Market Access program (MAP) funded for 2022 and 2023.<sup>2</sup> The Decision ordered that MAP be designed to deliver peak and/or net peak demand savings using a normalized metered energy consumption (NMEC) approach to measure energy and peak demand savings in residential and commercial buildings. The Decision permitted electric investor-owned utilities (IOUs) and Marin Clean Energy (MCE) to file advice letters (ALs) requesting MAP funding within 60 days from the issuance of the Decision.

On February 7, 2022, PG&E filed Advice 4572-G/6498-E requesting \$25,000,000 for its MAP. That budget request included \$20,000,000 in 2022 program implementation and incentive costs, and \$5,000,000 in PG&E administrator costs for both 2022 and 2023. On March 24, 2022, the Commission approved Advice 4572-G/6498-E. In its disposition, the Commission noted that, since all authorized MAP funds were not reserved, PG&E could file an additional AL by November 15, 2022. The disposition noted that such an AL would need to comply with OP1 of D.21-12-011, except for references to items that are specific to program launch and summer 2022.

### **PG&E MAP Overview**

PG&E launched its MAP in June 2022. Per D.21-12-011, PG&E's 2022-2023 MAP targets summer peak (4 p.m. to 7 p.m.) and net peak (7 p.m. to 9 p.m.) savings that are measured based on NMEC methods as articulated in PG&E's MAP Measurement and Verification (M&V) Plan dated June 2, 2022<sup>3</sup>. PG&E's MAP primarily targets non-residential customers and projects, though it allows participation by aggregators targeting residential customers in certain circumstances.

PG&E direct-awarded contracts to two implementers to deliver MAP in 2022. PG&E stated in Advice 4572-G/6498-E an intent to issue a competitive solicitation for a third party to implement the program in 2023. Due to time constraints, and to minimize disruption to the ongoing program, PG&E has elected to continue with its selected implementers in 2023.

While PG&E outsources much of the implementation of MAP to implementers, PG&E's MAP is a "core" offering developed and owned by PG&E. PG&E has selected additional vendors for program support, customer and aggregator recruitment, and program M&V.

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<sup>2</sup> D. 21-12-011, pp. 59-60, OP 1.

<sup>3</sup> PG&E Market Access Program Implementation Plan, Program Manual, and Measurement and Verification Plan, version 1.0. June 2, 2022. Available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/market-access-program/implementation-plan/pge-implementation-plan.pdf>

PG&E believes that involving multiple implementers and additional service-specific vendors has enabled greater program flexibility, allowed for aggregator and customer choice, and mitigates the inherent risk in funding a program that is relatively new to the California energy efficiency market.

In implementing PG&E's MAP offerings, PG&E has met regularly with MCE, and will continue to coordinate to ensure that PG&E's and MCE's programs do not overlap with each other and that they will not cause market or customer confusion.

### 2023 MAP Budget Overview

This advice letter includes PG&E's request for \$18 million for 2023 MAP implementation and incentives. If the 2023 MAP enrollments exhaust this budget, PG&E may request additional funds through a subsequent advice letter as allowed in D.21-12-011. Since PG&E's Advice 4572-G/6498-E included \$5 million budget to cover PG&E's administrator costs for MAP in 2022 and 2023, PG&E is not requesting any additional funding for 2023 administrator costs in this AL. If the Commission approves PG&E's \$18 million 2023 MAP implementation and incentives budget, PG&E will incorporate that amount for cost recovery via electric rates.

PG&E intends to cap total program expenditures, including all implementer and PG&E costs, at total system benefit (TSB).

**Table 1. 2022-23 MAP Budget Detail for PG&E and MCE**

<b>Budget or Cost Category</b>	<b>Amount</b>
2-year statewide MAP budget cap	\$150,000,000
2-year PG&E service territory MAP budget cap	\$66,750,000
MCE: 2-year MAP budget <sup>4</sup>	\$6,000,000
PG&E: 2022 MAP program implementation and incentives <sup>5</sup>	\$20,000,000
PG&E: 2022-2023 MAP administrator costs (e.g., marketing, solicitation, data systems, etc.)	\$5,000,000
PG&E: 2023 MAP program implementation and incentives	\$18,000,000
<b>Total Budget Requested To-Date For 2022-2023 for PG&amp;E Territory (including MCE)</b>	<b>\$49,000,000</b>

<sup>4</sup> MCE AL 60-E.

<sup>5</sup> PG&E will be able to confirm its total spend of 2022 MAP budget in Q1 2023 after accruals and payments are completed for 2022 MAP projects. If PG&E were to file for additional MAP budget, the maximum amount that PG&E could request would reflect unrequested authorized budget (\$66.75 million - \$49 million = \$17.75 million) plus the amount of unspent and uncommitted (U/U) 2022 funds. For example, if PG&E had \$2 million in U/U 2022 MAP funds, PG&E could request Commission approval for \$19.75 million in additional MAP budget (\$17.75 million unrequested + \$2 million U/U 2022 funds = \$19.75 million).

## Estimated Peak Savings

Below are PG&E's high-level estimates of the savings that MAP could achieve in 2023. Peak impacts shown in Table 2 represent projects to be installed by the summer of 2023. They are estimated using the combined total of savings using load shapes from the Database of Energy-Efficient Resources (DEER)—which includes load shapes for HVAC, Lighting, Water Heating, etc.—and custom load shapes—which includes load shifting and net peak load shedding—for the program, and assume a peak kicker rate of \$150/MWh 4 p.m. to 7 p.m., and \$500/MWh net peak kicker 7 p.m. to 9 p.m.

**Table 2: 2023 Forecast Metrics Under Base Assumptions**

Metric	2023
Total Program Budget Spend <sup>6</sup>	\$20,000,000
Gross kWh Savings	23,568,003
Net kWh Savings	22,389,602
Avg. Peak kW Demand Impact (Net) <sup>7</sup>	4,664
Avg. Net Peak kW Demand Impact (Net) <sup>8</sup>	5,422
Lifecycle GHG Savings (tons)	86,695
Program-Calculated TSB <sup>9</sup>	\$20,000,000
TSB (unadjusted avoided cost values) <sup>10</sup>	\$20,450,000

## Compensation Structure

MAP compensation comprises payments to both aggregators and implementers and payments are tied to performance and actual delivery of peak savings whenever possible. PG&E's MAP pays aggregators based on the program-calculated TSB derived from adjustments to avoided cost values, to shift value into peak periods while reducing value

<sup>6</sup> Including \$18m in MAP program implementation and incentives costs, and \$2m in administrator costs.

<sup>7</sup> Avg. Peak kW Impact - This is the combined programmatic kW impact of projects installed before the end of Summer for hours between 4-9 PM.

<sup>8</sup> Avg. Net Peak kW Impact - This is the combined programmatic kW impact of projects installed before the end of Summer for hours between 7-9 PM.

<sup>9</sup> Aggregators will be paid based on program-calculated TSB, which is based on adjustments to avoided cost values to include kickers for peak and net peak savings, as described in the Program Compensation and Peak Savings Kicker sections below.

<sup>10</sup> Program expenditures will be capped at CEDARS TSB, based on unadjusted avoided cost values.

in off-peak periods. Aggregators are paid quarterly, based on the program-calculated TSB, net of the Lead Implementer and Portfolio Administrator costs, achieved in the previous quarter for each aggregator's portfolio. PG&E's MAP Implementation Plan<sup>11</sup> describes payment calculation methodology in detail.

## **Program Reporting**

Since program launch, PG&E has reported MAP achievements according to the reporting process and templates developed by Energy Division (ED) staff. PG&E will continue to follow these reporting processes in 2023 and will continue to work with ED staff to ensure the Commission is informed regarding the progress and accomplishments of PG&E's MAP.

## **Integration with Other Programs**

### Existing Energy Efficiency Programs

MAP is a new and unique EE offering that attracts a range of energy services companies, including PG&E third-party EE implementers. In conducting MAP in 2022, PG&E has established requirements to promote incrementality, but has still observed an impact on participation in traditional EE programs. PG&E believes these may be the result of the significant imbalance in market signals stemming from aggressive peak kickers in MAP compared to non-MAP EE programs. PG&E is monitoring these impacts both in support of incrementality and also because there is some concern that this imbalance may lead to projects being redirected from existing EE programs and could compromise portfolio goal attainment.

PG&E has discussed these concerns with ED staff and will continue to work with staff to explore options that minimize program and portfolio imbalance.

### Demand Response Programs

PG&E has implemented MAP while leveraging opportunities to integrate MAP with other demand-side customer offerings. Demand Response (DR) programs and pilots are especially relevant given the shared objectives of the MAP and DR programs to minimize peak energy consumption, particularly during summer days when grid reliability may be compromised due to short electricity supply.

PG&E continues to encourage non-residential MAP participants to dually enroll with PG&E's Emergency Load Reduction Program (ELRP) pilot<sup>12</sup>. The ELRP is a Commission-

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<sup>11</sup> PG&E Market Access Program Implementation Plan, Program Manual, and Measurement and Verification Plan, version 1.0. June 2, 2022. Available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/market-access-program/implementation-plan/pge-implementation-plan.pdf>

<sup>12</sup> Participants that wish to enroll in the ELRP must meet existing ELRP eligibility and participation requirements as defined in D. 21-12-015.

ordered DR pilot within the Emergency Reliability Order Instituting Rulemaking (R.20-11-003), which provides directly enrolled customers and third-party DR aggregators the opportunity to voluntarily reduce load during times of grid stress and emergency. In 2023, PG&E intends to continue to promote direct enrollment and participation in DR through the MAP onboarding process to non-residential MAP participants.<sup>13</sup> Furthermore, PG&E will continue to look for ways to coordinate the enrollment flows of both MAP and the ELRP to streamline the customer enrollment experience.

PG&E may engage MAP and ELRP evaluation, measurement, and verification (EM&V) teams to observe and evaluate the results of the 2022-2023 MAP and explore how best to consider future dual participation and the stacking of program incentives between the MAP and the ELRP. These learnings may be able to be expanded more broadly across EE and DR.

### **Incremental Savings**

PG&E is invested in the success of MAP while ensuring that its MAP offerings do not undermine its existing EE portfolio. MAP's higher incentive levels and lower cost effectiveness threshold could make it more appealing to implementers than existing EE programs. As such, PG&E has set MAP requirements to try to ensure that projects in MAP are unique and not diverted from the main EE portfolio, and to ensure that savings resulting from MAP are incremental.

PG&E will continue to refine MAP program requirements in support of incrementality as the program evolves in 2023.

### **MAP Strategy: Beyond August 2023**

PG&E and its MAP implementers have invested significant time, effort, and ratepayer dollars to recruit and enroll aggregators into the program since the program was launched in June 2022. There is a rapidly closing window for aggregators to identify and complete projects given the installation deadline of August 1, 2023, set in D. 21-12-011. This narrow window, combined with recent global supply-chain delays, has created a situation in which aggregators must forego projects that are at risk of missing the installation deadline. PG&E recommends that the Commission extend the installation deadline to the end of 2023, so that aggregators can pursue these projects which could deliver valuable savings in late summer 2023 and beyond.

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<sup>13</sup> This does not exclude DR aggregator participation. While the focus has been direct enrollment, DR aggregator enrollment is allowed.

**Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than December 5, 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).

**Effective Date**

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 1 of D.21-12-011, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, December 15, 2022, which is 30 calendar days after the date of submittal.

**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.13-11-005. 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

cc: Service List R.13-11-005



# 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 M)

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) #: 4681-G/6762-E

Tier Designation: 2

Subject of AL: Advice Letter of Pacific Gas and Electric: Summer Reliability Market Access Program 2023

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.21-12-011

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

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

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 12/15/22

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

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

<sup>1</sup>Discuss in AL if more space is needed.

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

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

Clear Form

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

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

California Hub for Energy Efficiency  
Financing

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

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

Chevron Pipeline and Power  
City of Palo Alto

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

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell  
Dish Wireless L.L.C.

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

iCommLaw  
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.

Resource Innovations

SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Stoel Rives LLP

Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy