



ELECTRIC PRELIMINARY STATEMENT PART HY
RULE 21 BALANCING ACCOUNT
(R21 BA)

Sheet 1

(N)
(N)
(N)

HY. RULE 21 BALANCING ACCOUNT (R21 BA)

(N)

1. **PURPOSE:** The purpose of the Rule 21 Balancing Account (R21 BA) is to track the costs associated with the development of Process Option 2 as authorized by Decision (D.) 19-03-013. Ordering Paragraph (OP) 7 of D. 19-03-013 approves the establishment of the R21 BA to record the implementation expenses of upgrading PG&E's (online) portal to update the existing application process for material modification, to be funded by a portion of customer interconnection fees collected based on the annual Net Energy Metering Costs filing.
2. **APPLICABILITY:** The R21 BA shall apply to all eligible customer-generators who elect to modify their existing facilities using Process Option 2 (i.e. Process Option 2: Notification is required but the customer can proceed with building the system and turning on the system without waiting for utility approval¹) for the following cases: (1) replacing equipment "like-for-like", where system output does not exceed what is listed in the original interconnection agreement and operating mode is not adjusted; (2) Replacing equipment that may increase the nameplate capacity of the system, but which employ inverter power controls that limit the real power output to the inverter listed size in the original agreement;² and (3) Adding storage capacity to an existing storage facility without changing inverter.³
3. **REVISION DATE:** The balance in this account will be included in the Annual Electric True-up (AET) filing or through an advice letter filing as authorized by the Commission.
4. **RATES:** The R21 BA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The following entries (net of RF&U) will be made each month, or as applicable, as follows:
 - a. A debit entry equal to PG&E's incremental operating and maintenance (O&M) and administrative and general (A&G) expenses incurred associated with the development of Process Option 2.
 - b. A debit entry equal to the capital-related costs incurred for depreciation, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment.

¹ Process Option 2 is defined in D. 19-03-013, in the Table 3 Heading.

² For projects increasing capacity to less than 100 kilowatt (kW), pending the creation of certification schemes for inverter power controls (software/firmware) to limit export, and for projects of any size that are requesting an increase in capacity within 110 percent of their original generating capacity, process option 2 shall be used, both pursuant D. 13-03-013, Ordering Paragraph 6.

³ If the Commission determines that a generator's maximum output should be based on its rated capacity.

(N)

(Continued)

Advice 5584-E
Decision 19-03-013

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

July 8, 2019
August 5, 2019



ELECTRIC PRELIMINARY STATEMENT PART HY
RULE 21 BALANCING ACCOUNT
(R21 BA)

Sheet 2

(N)
(N)
(N)

HY. RULE 21 BALANCING ACCOUNT (R21 BA)

(N)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- c. A credit entry equal to the incremental portion of Rule 21 Interconnection Request fees determined specific for the recovery of costs to develop and implement process option 2.
- d. A debit or credit entry to transfer the balance to the Distribution Revenue Adjustment Mechanism (DRAM) or to any other regulatory balancing account as authorized by the Commission.
- e. An entry, as appropriate, each month equal to the interest on the average balance in this account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)